

an international trophy meeting
at the motor racing circuit.

Civil Service union faces political lash as left-wingers seek to overturn moderate appointments

Paul Routledge

Editorial
A political dispute has been out of the headlines for some time. The largest of the Service union over appointments to senior jobs and new system of electing officials.

Left-wing candidates for the post of deputy general secretary and general secretary of the Civil Service Union are appealing to the annual conference in May to overturn moderate appointments recommended by the executive.

The dispute has surfaced in published background papers prepared for the association's conference which contain charges of "political motivation" in the outcome of the election process.

Mr Peter Thompson, a leading left-winger, is appealing to the conference to overturn the executive's decision to appoint moderate candidates.

He argues that "political" motives have made a mockery of the selection process.

His wife, Mrs Jean Thompson, asking the conference to set the executive's choice of Mr John Raymond for general secretary on the ground that selection committee had used their minds "against" candidature.

The latest saga in the civil service union's internal politics of the 100-member association is whether the executive has a right of proposals from the executive suggesting that the union's general secretary,

deputy general secretary, general secretary should be elected by a secret ballot of the entire membership.

Under the formula being put to the conference, anyone with five years' membership or service with the union could stand for those senior jobs, but the national executive reserves the right "if it so chooses, using procedures which they think fit" to advise members for whom they should vote.

That reform package will be put first to the delegates at the conference, but informed opinion suggests that it will fail to win the required two-thirds majority to become part of the association's constitution.

Delegates will then be asked to adjudicate on the rancorous difference of opinion among the union's full-time officials. In the paper detailing the appeal of Mr Thompson, an assistant executive secretary of the union, the about "political" motivations.

"He has been involved in the association for a number of years and should, therefore, be well aware of the powerful influences which from time to time are brought to bear on its policies. He has benefited in the past from certain of these influences and should not now complain if those pressures are no longer influential."

In his appeal, Mr Thompson says of the ruling moderate faction: "I do not object to any group or faction using its political muscle and beliefs in terms of the policies they pursue, but I do object to them using their powers in selecting candidates for the senior professional posts within the union. This makes total

mockery of the application and interviewing procedures.

He also accuses his critics of waging a "discriminatory campaign" against himself and his wife ("We are a CSEA family") on the ground that a married couple should not be considered for senior posts.

In her appeal, Mrs Thompson, also an assistant secretary, says: "I also felt that a majority of the selection committee had already, prior to the interview, closed their minds to any other candidate than Mr Raymond."

Mr Raymond acknowledges that the association is "a highly political union" but disavows "present or past allegiances to certain groups" in the union.

The left-right battle will also be joined over executive proposals for the election of full-time officers. After last year's election, the union's leaders have determined that the "no overhauling argument" for such a practice

Instead, they recommend that the four senior jobs be open for election, and if the conference rejects this policy, it is likely to go to a referendum of the membership.

What we have proposed will not satisfy those who believe that all full-time officers should be subject to regular election," the executive paper concedes. "This we have rejected because trade union experience generally does not point in this direction but even more importantly such a system would not provide the stability and continuity of experience our union needs with its constantly changing membership."

MP opposes pension tax on widows

Pat Healy

Services
The Prime Minister has been asked to take steps to stop widows and single women aged between 60 and 64 having to pay tax on their retirement and pensioned for the first time.

Mr Jeffrey Rooker, Labour MP for Birmingham, Perry, said in a letter today that he is sure was unintentional that they had been caught in the tax net as a result of the Budget.

The anomaly has been created by the decision to freeze personal tax allowances. Treasury Ministers have conceded in parliamentary answers to Mr Rooker that it will mean women aged 60 to 64 age group having to pay tax on income composed of national insurance retirement and graduated pension.

Women pensioners over the age of 65 will not be caught in similar trap, since they are added to the higher age tax allowance.

Mr Rooker points out in his letter that the women affected by the tax are "in the quite ludicrous position" of having a tax liability of between 55p and 57p a week if they have a graduated pension of 33p a week.

The net average graduated pension for women aged 60 to 64 in November was 57p a week.

Any widows will not have to pay tax even though the changes will mean their pension brings them above the threshold. They will be taxed by the amount of the pension over the threshold, under which amounts of tax are not levied. But those drawing graduated pensions because of extra contributions will have their incomes brought up to the £100 taxable income level.

Mr Rooker says he can well understand that no one drew the pension of Mrs Margaret Clark, the chairman of the regular or the Secretary of the Society for Social Services, to the culture when the Budget was drafted because of the complexity of the social security system.

Families spending less on food, survey finds

By Hugh Clayton

Agriculture Correspondent
A Government survey published today suggests that the recession is forcing families to cut their spending on food. The latest National Food Survey shows that households are less beef, butter and bacon last year than in 1979, and bought more cheese, margarine and breakfast cereals.

Consumption of beef throughout 1980 was the lowest since 1976. By the end of last year, demand for margarine exceeded that for butter for the first time for almost 25 years.

While the cost of food rose by 91 per cent in the 12 months to the end of 1980, the amount spent on it by British families fell by only 5 per cent. The survey of almost 2,000 households showed that average weekly spending a head on food fell last year from £7.36 in the summer to £7.25 by the end of the year.

That is greater than the usual seasonal drop in the second half of the year, and is attributable partly to the good fruit and vegetable harvest on farms and in home gardens. But the survey also suggests that householders were trying to cut their shopping bills by reducing purchases of items that appeared to be costly when compared with alternatives.

The survey shows that families spent less on bacon, lamb, pork and meat pies in the winter than late in the summer. Independent market research suggests that while the recession is forcing families to change their eating habits, there is still an underlying trend away from traditional dietary patterns.

Dr Elizabeth Nelson, managing director of the Taylor and Francis market research company, said that eating habits were being shaped by the growing number of single-person and single-parent households, and by a desire to eat more fresh and exotic foods.

Special report on food, inset

Special report on food, inset

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Mermaid opening: Lord Miles, founder of the Mermaid Theatre, outside the new exterior of the theatre as building workers try to complete the interior in time for the reopening in July (Martin Huckerby writes). While all the construction work has been completed, a large part of the fitting-out and equipping of the building has still to be done; the auditorium and stage are little more than a shell. Lord Miles said the theatre would be ready to reopen on July 7, although all the work on the building would not be finished by then. The Mermaid is being enlarged and partly rebuilt within a new office development on the site overlooking the Thames at Blackfriars, in the City of London. The size of the stage has been doubled and 110 extra seats have been added, as have spacious dressing rooms. Despite the

additional seating, the Mermaid remains a relatively small theatre and its future will depend particularly on the size of subsidies from the Arts Council and the City of London Corporation. Lord Miles would not say how much had been offered for the opening season and discussions are continuing about the exact amounts in the hope that more money may be forthcoming. If the ambitious plans for the opening season are to be carried through successfully, the Mermaid must gain extra revenue by transferring productions into commercial theatres in the West End. Lord Miles said particular candidates were the American play, *Children of a Lesser God*, by Mark Medoff, the revival of the highly-successful comedy *Lock Up Your Daughters*, and the British premiere of Stephen Sondheim's musical, *Pacific Overtures*.

Dean backs Lennon peace festival

From Our Correspondent

Liverpool
The Dean of Liverpool, the Very Rev. Edward Patey, yesterday rebuffed Liverpool about the cathedral's festival of peace in memory of John Lennon, the former Beatle, who was shot dead in New York last December.

Protests were sent to Buckingham Palace and the Archbishop of Canterbury about the cathedral's decision to hold the festival. They claimed that Lennon led people away from religion and criticised him for taking drugs.

In an address to the congregation of two thousand at the ticket-only festival the Dean spoke in favour of the musician, who was born in Liverpool.

He said: "Some people tried to stop us having this service. John Lennon, they said, was a bad influence on a whole generation with his drugs, sex and his disrespect of authority. I suspect they also did not like him because he was successful, because he was rich and because he was young."

"Even if all they said of him was true, I still believe it is a right and good thing that we do in this cathedral. For this building is dedicated in honour of Jesus Christ who was always more ready to side with the off-beat and the way out than the respectable and the orthodox."

Tape recordings of Lennon's songs "Imagine" and "Revolution" were played and the St George Singers sang "The Fool on the Hill". "Eleanor Rigby" and "Yesterday".

A rival festival in the city organised by Mr Alan Williams, the former manager of the Beatles, attracted more than two thousand people. It was staged at the Cavern Club site, in Mathew Street, where the Beatles once stayed.



A balloon for peace in the cathedral.

Call for easy payments on TV licences

By a Staff Reporter

Sir Ian Trethowan, director-general of the BBC, last night urged the Government to allow the 18,500,000 television licence payers to have the option of paying by weekly as well as by monthly instalments.

With the BBC's drive for a £50 annual colour licence fee in mind, Sir Ian told listeners to Radio Luxembourg that that would mean £1 a week or just over 64 pence a month.

Sir Ian said the BBC attached enormous importance to allowing payment in smaller amounts. "The way the public pays for independent television, which is through the supermarket checkout, is so much less painful," he said.

He rejected demands that Radio 1 should be run by commercial operators.

"Radio 1 is of special importance because it is the one point in the BBC's output at which we consistently meet young people."

Stronger protection for moorland has been resisted

Countryside Bill for Lords today

By John Young
Planning Reporter
Having survived, resisted or amended more than 550 amendments, the Government's Wildlife and Countryside Bill receives its third reading in the House of Lords today. It is likely to be introduced in the Commons before Easter, despite doubt over the extent to which members of the lower house will find the time or energy to try to unravel what their lords have passed over many weeks, put together.

On the more contentious issues, the Government has settled for what can best be described as a favourable draw. It has successfully overruled attempts to give stronger protection to moorland and to outstanding beauty spots, referred to, in rather unhappy jargon, as "sites of special scientific interest."

It was defeated on the question of footpath closures, and on the so-called Sandford amendment, which deals with the possible withholding of agricultural grants, something that could prove to have far-reaching effects.

The Bill, initially regarded as a sideshow to the Government's main legislative programme, has aroused deep feelings among landowners and farmers, who see their way of life threatened

'Take me off the hook' appeal by Mr Biggs

By Michael Horsnell

Ronald Biggs, the fugitive train robber facing extradition proceedings in Barbados after his bizarre kidnapping in Brazil, is appealing for a pardon.

In his autobiography, published today, Mr Biggs, aged 51, says: "I think the time is long overdue for me to be taken off the hook."

The appeal coincides with the arrival in London yesterday of Mr Thorfinn Maciver, captain of the yacht which smuggled him out of Brazil. Mr Maciver, aged 25, from Edinburgh, who claims he did not know Mr Biggs was on board, said he was not worried by underworld threats to take revenge on the kidnappers.

He said: "I do not think the threats are directed at me. I was not involved. I just happened to be the skipper of the boat that they chartered."

In his book Mr Biggs says that in the 14 years since his escape from Wandsworth "nine were spent looking over my shoulder to see if Old Bill was lurking behind."

"Only someone who has been a fugitive from justice as I have been all these years can know the torture of uncertainty and insecurity that this existence brings."

He adds: "I most certainly have been punished for my crime and in plenty of ways. What is the point of putting me back in Wandsworth? To rehabilitate me—but I am rehabilitated totally."

Admittedly, he misses England, and for his Mars bars, jellied eels and beer, he says his longing is not so great that he would give himself up to serve the 28 years remaining of his 30-year sentence.

Mr Maciver, who said he had returned to London to "sort out some business" about the hire of the yacht, said he was paid the normal charter fee of \$3,000 a week but did not know who was the paymaster in the Biggs kidnapping.

"I was paid by my usual agents but I do not know where the money came from," he said. "The first thing I knew was when they presented Biggs to me just after we left Brazil. I was flabbergasted."

During the trip to Barbados damage was caused to the boat which could have forced them to return to Brazil.

He said: "There was a mystery electrical failure which cut the power and then water poured in through the bilges but I spotted both faults and they were repaired. I am reluctant to say I definitely Biggs but a lot of equipment was easy to get at and he was not really held captive. Most of the time he spent on the deck sunning himself."

Former wife writes: Mr Biggs's former wife said on Saturday that she was waiting to hear from him and might join him in England. (Douglas Aitken writes from Melbourne.)

Mrs Charmian Breat, who lives in the Melbourne suburb of Doncaster with her two sons, Christopher, aged 18, and Farley, aged 14, made a statement after Mr Biggs was reported as saving in Barbados that he wanted to reappear here.

The statement reads: "Of course we are concerned about Ron's welfare. We are still his family. If he wants a reassessment of our feelings for each other, we will have to meet soon. I hope this will be soon."

Ronald Biggs, My Own Story (Michael Joseph, £7.95).

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Jobs growth factor in brewery site inquiry

By Our Planning Reporter
A public inquiry begins tomorrow into plans to redevelop the former Courage Brewery site in the centre of Reading. Its outcome will be of more than local interest and could have a significant effect on future population and employment growth in south and south-east England.

The site occupies some 14 acres on either side of Bridge Street, adjoining the River Kennet. On the larger west side, Courage plans to add 80,000 sq ft to their existing offices and to sell the rest for housing and recreational use.

It is the land on the east side that is the subject of controversy. Courage has applied to build 247,500 sq ft of offices for sale, but Reading District Council has refused to give permission for more than 100,000 sq ft on the grounds that anything larger would constitute overdevelopment and would go against its policy of restraining office growth in the town.

Mr Peter Oswald, of Savilles, the estate agents who are advising on the project, insists that 100,000 sq ft would be hopelessly uneconomic.

"If we do not get the go-ahead, the council will lose all the amenities which we have proposed, a leisure centre, a riverside walk, paths to connect the town centre with the river and so on, and the site will just become more and more derelict."

According to Mr Oswald, negotiations are in an advanced stage with Trafalgar House, which wants to undertake the development. He has no doubts about being able to let the space.

The council's attitude has undoubtedly been conditioned by its fury at the county council's decision to give itself permission for 350,000 sq ft of speculative offices on the site of its former headquarters. That is all the more ironic in view of the fact that the county has strongly resisted attempts by Mr Michael Heseltine, Secretary of State for the Environment, to make provision for an extra 70,000 households by 1990.

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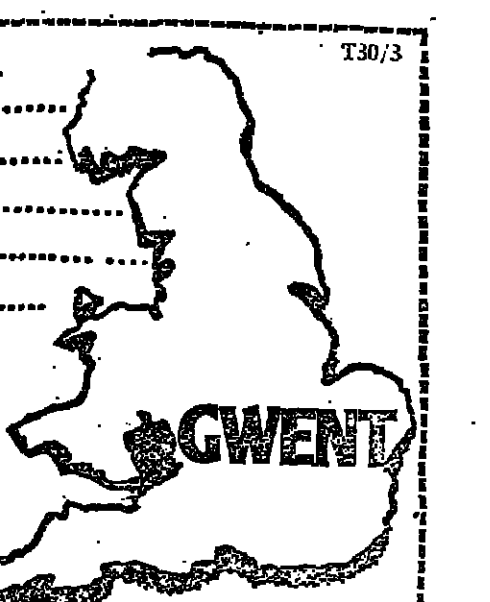
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Pupils 'leaving school early' because of benefit rules change

From Diana Geddes
Education Correspondent
Sheffield

Thousands of 16-year-old pupils who had intended to take public examinations this summer, had decided to leave school early because of government changes in the supplementary benefit rules, the Secondary Heads Association said yesterday.

Mr Donald Frith, general secretary of the association, which represents three fifths of the heads of secondary schools, said that the union had sent strong representations to Lady Young, Minister of State for Education and Science, about the changes. They meant that a pupil who left school in the summer term would no longer be able to start receiving benefit, if unemployed, until September 1, instead of immediately after leaving school as had been the case for summer leavers, and was still the case for Easter leavers.

The association had warned the minister that that would act as an incentive to pupils who reached their sixteenth birthday before January 31, to leave at the end of the Easter term, as they would be entitled to do, rather than stay on to take CSE examinations. But Lady Young had said she did not believe there was a problem.

Now the association had clear evidence from early returns to a survey of all its members that pupils were leaving early as a result of the changes. The number so far ranged from one pupil in one school to 25 in another, and the union had intended to take CSEs.

Many parents were still unaware of the changes. It was a real dilemma for heads whether to tell them, and risk their withdrawing their children before the examinations, or not to tell them, and risk a net loss to the family of more than £200 in benefit over the five months from April to September.

An unemployed 16-year-old is eligible for £15.25 a week, if the

family is not already receiving supplementary benefit.

Mr Frith, who was speaking before the opening of the association's annual meeting in Sheffield, said he expected that many more children would be induced to leave school early next year when the rule change became more widely known.

Mrs Molly Hattersley said in her presidential address to nearly 400 head teachers last night that the Government was asking schools to do more to prepare young people for working life, but the prospect of unemployment now facing many pupils was having a debilitating effect on their school work.

The children most directly affected are those whose doubts about their own capabilities, often reinforced by the value judgments of others, weakened their motivation at the best of times. If they see no place for them in the world of work, they will see little point in preparing for it.

The association had long supported the introduction of maintenance grants for 16- to 19-year-olds who remained in full-time education, but that had been ruled out in the recent report of the committee of inquiry, chaired by Mr Neil Macfarlane, under secretary of State for Education and Science.

"One must ask whether it is wise for a country which is seeking economic regeneration at a time of unparalleled change, to look for short-term savings by reducing its investment in the talents and abilities of those whose skills, aptitudes and enthusiasm are essential to its future prosperity and stability."

The association's plan: The National Association of Head Teachers yesterday urged the Government to extend its scholarship scheme for recruiting urgently needed mathematics and science teachers to include other under-18 school subjects (the Press Association reports).

Polish crisis stops US lifting Soviet grain embargo

From Our Own Correspondent
Washington, March 29

Contrary to his earlier plans, President Reagan has decided not to abandon the Soviet grain embargo.

In a long interview with The Washington Post published here today, the President said that the delicate situation in Poland as well as other aspects of international affairs were such that he did not see "where we could lift it (the embargo) without sending a wrong signal."

He conceded that he opposed the introduction of the embargo when it was introduced a year or so ago by President Carter and said that he would dearly love to be in a position to be able to lift it.

On the escalating crisis in Poland, Mr Reagan said that the provision of emergency food aid as requested by the authorities in Warsaw would be contingent on what happened there in the coming days.

"I think our relationship with the Polish people we have made plain," he said, "and we would like to be of help to them." This had been the general view of the United States since the independent trade union movement, Solidarity, had embarked on its campaign to secure better working conditions for the Polish people last year, he added.

"But answering that appeal would be a lot easier for us if the Polish Government does not take some drastic military steps against their own people."

Asked whether there was anything that the United States could or should do if the Polish rulers, the President said that that would have an effect on our relationship with Poland, that and our allies.

"We have all—and we've worked in a concerted way on this—made it plain that any imposition on the freedom of the people of Poland, whether internally or, and certainly if it is outside by the Soviet Union, is going definitely to have an impact on our relationship. So we are watching this very carefully."

Turning to other aspects of the relationship between Washington and Moscow, Mr Reagan said that he was quite sure that there would be a summit meeting between himself and President Brezhnev. It was, however, far too early for such a meeting. "I haven't said no. I have just said that it is down the road a bit," he said.

Mr Reagan said that the meeting would not take place until all of America's allies had been fully consulted and the meeting fully prepared. "You don't just decide to have a meeting and sit down and say what we talk about," he said.

In response to another question about Soviet behaviour, Mr Reagan said that in a nine-page

letter to him Mr Brezhnev had recently made it plain that he wanted to discuss all aspects of East-West relations. In return, he had made it clear that he believed that such talks should not be restricted only to arms limitation issues.

"I think the whole matter of the imperialism of the Soviet Union, their expansionism, must be a subject for this, for discussion. Are they going to continue exploiting where there are differences and where there is trouble? Or are they going to continue this massive buildup of weaponry which is the greatest that any nation has ever made in all the world? Or are they willing to sit down and talk about how we

can eliminate the difference between the threshold of danger from strategic weapons, respect the right of people to self-determination in their countries and so forth?" Mr Reagan asked rhetorically.

And the Secretary of State, Mr Alexander Haig, was willing to meet with their ambassador here and we are not slamming a door on them. We are going to be realistic.

Asked whether he had received any signal or feel that Moscow wanted to be more conciliatory in the future, Reagan said that he had seen "nothing" other than their obvious desire "to get back in discussions and meeting with us."

Washington family row blows over for a while

From David Cross
Washington, March 29

President Reagan has made it clear that he regards as a successfully resolved family dispute the last week's damaging controversy between Mr Alexander Haig, the Secretary of State, and the White House over future control of the Administration's foreign policy in a crisis.

In an interview with The Washington Post published today the President conceded that there had been some confusion between the White House and Mr Haig about the would head the so-called crisis management committee.

In the ensuing power struggle the task of taking control of the Administration's crisis planning went to Mr George Bush, the Vice-President, rather than to the dominating Secretary of State.

Mr Reagan told The Washington Post that as far as he was concerned everything had been resolved peacefully and we are all very happy. There had certainly never been any policy disagreement between the White House and Mr Haig, he said.

Asked whether Mr Haig would stay on in the administration, the President said: "Certainly, as far as I am concerned and I think as far as he is concerned, yes." He said he considered the whole unfortunate episode as closed.

The President's assessment of the present relationship between the White House and Mr Haig appears to coincide closely with the views of the Secretary of State.

After complaining bitterly to his advisers about his loss of power to the Vice-President, Mr Haig told a Congressional committee last week after the decision had been taken that it was time to get on with the substance of foreign policy and not to worry about its form.

All last week the American newspapers and television news programmes were full of reports about the power struggle which was being waged secretly and first between the President and Mr Haig, and then between the President and the Vice-President.

Mr Haig was reported to have muttered several times about resigning his post but apparently changed his mind when he realised that such a gesture would be futile.

It has always been abundantly clear to all here that Mr Haig has an immense ego and since becoming Secretary of State he has made much of his position as "viceregent" of President Reagan's foreign policy. He discovered last week, however, that his parish was somewhat smaller than he had thought.

The publicity which Mr Haig has managed to generate over foreign policy, particularly East-West relations, has upset some of Mr Reagan's closest and most senior advisers in the White House.

They believe that the Administration's most pressing task is to see the economy back on its feet, to secure and that too much emphasis on foreign policy issues during its early days could distract the attention of Congress from the President's economic programme.

For the time being, Mr Haig appears to have bowed to the inevitable by accepting Mr Bush's new role. But it would come as no surprise here if his forceful character and his own high opinions of himself do not produce further embarrassing clashes with the White House.

Leading article, page 13



Mr Lech Walesa, the Solidarity leader, attending church with his secretary before yesterday's crucial talks.

Rise in young jobless may overtake plans

By Mark Jackson
The Times Educational Supplement

Youth unemployment is threatening to overtake the big expansion of the schemes for the young jobless that the Government has authorized for this year. Officials in charge of the programme fear that it may have to find room for nearly 500,000 young people in the next 12 months.

The Manpower Services Commission has been given nearly £700m to provide for up to 440,000 entrants to its youth opportunities programme in the financial year which is just beginning. But its regions say they will need to accommodate at least another 40,000.

The commission's senior officials have told its special programme board that that may be an underestimate. But they give a warning that the Government is unlikely to allocate any more money yet to the programme and may not do so even if the worst fears turn out to be justified. That means they fear that a full-scale expansion might mean heavy cuts later in the year.

The board is recommending the Manpower Services Commission to increase the programme to 450,000 entrants now and to plan for a big emergency expansion.

That would repeat the pattern of the past 12 months during which 324,000 young people have passed through the programme, nearly half as many again as were originally authorized.

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Mr Paisley plans new campaign

From a Staff Reporter
Belfast

The Rev Ian Paisley concluded his "Carson trail" rallies on Saturday with a march by 30,000 people to Stormont.

It was a more impressive turnout than most of the organized rallies expected. The series of 11 rallies throughout Northern Ireland during the past seven weeks against the Dublin-London dialogue has not drawn large crowds by Ulster standards.

Mr Paisley's campaign was given a fillip last week by Mr Enoch Powell, the Irish Foreign Minister, who said there could be Irish unity in five or 10 years.

Mr Paisley said he plans another phase in his campaign but would not give details. He told his supporters: "I have a plan and I am going to put it into operation. You will be called on to make the necessary sacrifices so that it will not fail."

Mr Paisley's next big test will be the local elections in May, in which he hopes to establish himself as the most popular Protestant leader in the province.

He told the crowd on Saturday that he had information of a British plot to kill him. If he did not die at the hands of republicans, he had left a letter with his lawyer containing details of "the British Government plan to get rid of me". However, he thought that God would save him.

Nationalist split vote seems likely

From a Staff Reporter
Belfast

Nominations close today for the Fermanagh and South Tyrone by-election and it looked last night as though the nationalist vote would be split three or four ways.

Unless there is a quick decision to reduce the number of contenders, the chances of Mr Robert Sands, the IRA hunger striker, being elected are extremely remote.

My Sister Marie McAliskey is standing aside in favour of Mr Sands but Mr Noel Maguire, brother of the late pro-republican MP, seems determined to remain in the contest on April 9 as an independent.

Mr Sands' Democratic and Labour Party candidate is Mr Austin Currie, a former chief whip who fought the seat in May 1979 as an independent SDLP contender. The intentions of the Irish Independence Party are still not clear.

There is growing doubt whether the Democratic Unionist Party will nominate a candidate. The Official Unionists' choice is Mr Harold West.

General election: 22,398
Maguire, M. F. (Ind) 17,411
Ferguson, R. (Off UU) 10,785
Currie, A. (SDLP) 10,785
Baird, R. (UUUP) 10,785
Acheson, P. (Alliance) 1,078

Three arrested: Three men were in police custody yesterday after a Roman Catholic was shot four times in the back and shoulder at Market Hill, CO Armagh, on Saturday night. His condition is described as comfortable.

Ulster troops damaging to Britain, Mr Haughey says

Mr Charles Haughey, the Irish Prime Minister, was quoted yesterday as saying that Britain's military presence in Northern Ireland was damaging its world standing.

Mr Haughey, who is in Bonn for talks with West German leaders today, told the magazine Der Spiegel that the presence of 11,000 British troops in Northern Ireland was "a financial burden for the British and unquestionably does their standing in the world no good."

The British public and some of the political establishment were increasingly reluctant to go on bearing the cost, he said. "For me there is no doubt that the overwhelming majority of the British population would

welcome a solution to the problem of Northern Ireland," Mr Haughey was quoted as saying. Asked about the results of his Dublin talks with Mrs Margaret Thatcher last December, he said that British-Irish working groups were studying ways of bridging their differences on Northern Ireland.

Mr Haughey said Dublin had always considered Ireland to be a single natural, economic, social and cultural unit but he recognized that Mrs Thatcher had different views on some points.

The working groups will give a good indication whether we can bring the differing tendencies under one hat," he was quoted as saying.

Bishop Tutu passport may be held

From Ray Kennedy
Johannesburg, March 29

A three day Mr Pieter Botha, the South African Prime Minister, to have the passport of Bishop Desmond Tutu, the black secretary-general of the South African Council of Churches, withdrawn as soon as the bishop returns from abroad, is being seen as a potentially serious setback to the Reagan administration's cautious moves towards a rapprochement between Washington and Pretoria.

The bishop, who is in Britain, is a fiery critic of apartheid. In a speech to the United Nations Special Committee on Apartheid in New York last week, he described the South African system as one of "the most vicious since Nazism" and said that a third world war would break out unless apartheid was ended within 40 years.

At Welkom, a gold mining town in Orange Free State on Friday night, Mr Botha addressed one of the biggest meetings of the general election campaign, attended by more than 2,000 people.

Before an audience of miners, probably the most volatile section of the South African white electorate, Mr Botha could hardly say he was going to ignore the bishop's remarks. "As far as I am concerned," he said, "the bishop's passport should be withdrawn when he returns to South Africa."

Bishop Tutu, who has been nominated for the 1981 Nobel Peace Prize, had his passport withdrawn last April after a visit to Denmark where he had advocated economic sanctions against South Africa. The passport was restored earlier this year.

It has been suggested that if South Africa takes action against Bishop Tutu, black African states will use the incident to try to persuade the United States to distance itself from Pretoria.

Reagan policy review allays some black African fears

From Our Own Correspondent
Washington, March 29

President Reagan and his foreign policy advisers have completed the first stage of their review of southern Africa and to the great relief of most black African nations it will probably not tilt as strongly towards South Africa as once feared.

In a statement published last night, the White House announced that a high level delegation of Administration officials led by Mr Chester Crocker, President Reagan's nominee as assistant Secretary of State for African Affairs, would visit countries in southern Africa towards the end of this week.

The delegation's trip was "an effort to meet with as many parties as we can," the statement said. "We have discussed our policy with our allies and saw this as an opportunity to extend our discussions."

According to well-informed Administration officials here, the delegation will visit all five African front-line states, including Mozambique and Angola, as well as South Africa.

It will continue to seek an internationally acceptable formula for ending South Africa's control of Namibia while at the same time seeking a dialogue with Pretoria to end apartheid change in that country.

In an interview with The Washington Post published today, President Reagan said that the whole subject of Africa was "of great concern" to his Administration. "I want to continue our friendship with the African states, the black African states."

"I realize there are also some that have a chip on their shoulder towards us. We would like a better understanding with them and we are going to take steps to bring that about."

"This does not mean in any way that we do not look forward to a continued friendship with South Africa and I think to be helpful to them in their problems with apartheid. There are many things there, it's a complex thing to us but on the other hand we had our own experience in this country with an apartheid that was just as ugly."

On Namibia, Mr Reagan said that his Administration wanted to see a peaceful solution there. Mr Shaphy Aoudou, the Nigerian Foreign Minister, who met Mr Alexander Haig, the Secretary of State, in Washington last week, was apparently reassured by what he was told.

Other strains in the wind during the last few days have allayed some of the fears of the black African nations. The White House announced on Friday that it would be sending Mr George Bush, the Vice-President, as the head of the United States delegation to a conference on the plight of African refugees.

It is sponsored by the Organization of African Unity (OAU) and will be held in Geneva on April 9 and 10.

Disco for Giscard youth rally, beer and sandwiches for the Communists

From Ian Murray
Paris, March 29

With three blows on the rostrum from an auctioneer's mallet, President Giscard d'Estaing declared his personal election campaign well and truly opened yesterday evening. An enthusiastic audience of young supporters in a large tent burst out cheering and clapping at his expected news.

They chanted out the message emblazoned on their white T-shirts: "Allez Giscard. Allez France." They were in excited anticipation for their candidate's speech, which was to promise them all full employment over the next seven years provided he was returned for a second term.

The organisers claimed at least 30,000 young people joined in the rally in four big tents at the Porte de Pantin on the site of the demolished abattoirs of La Villette. It was an afternoon of disco, soft drinks and doughnuts, where any American party conference-goer would have felt at home.

At the same time another gathering of a different kind of youth was surging round the columns in the centre of the Place de la Bastille. Red flags fluttered high against the grey skies and the 15,000 present (according to the police) or the 70,000 there (according to the Communist Party) waved for their candidate, chanting rude slogans, drinking beer and eating sandwiches.

Pretoria may protest over air shooting

From Our Correspondent
Johannesburg, March 29

South Africa is expected to deliver a strong diplomatic protest to the Mozambique Government after an incident in which Mozambican troops fired on and hit a South African civilian light aircraft flying low near the border.

According to a South African account, the single-engine Cessna 310, with four people, including the pilot, on board, was circling low near the Lebombo border post on Friday before landing for customs clearance. The Cessna was flying from Maputo, the Mozambique capital, to Nelspruit in Transvaal.

At the border post it came under fire from the Mozambique side and bullets narrowly missed the fuel tank, shattered instruments, and a piece of metal embedded itself in one of the passenger's shoes. According to witnesses, the aircraft only managed to land safely because of the skill of Mr Henk Schimpenhans, the pilot.

Mr Dan Pienaar, the general manager of the charter company which owns the aircraft, said police on the South African side of the border had seen the attack "but they didn't lift a finger to stop the outrage."

Tension on the Mozambique border has escalated since late January when a South African Army commando attacked the headquarters of the outlawed South African National Council near Maputo, 50 miles inside Mozambique territory.

This weekend talks opened in Maputo between a delegation of South African officials and the Mozambique People's Assembly.



French Presidential Election

The contrast between the two meetings could not have been more marked. The one well-organized, warm and happy; the other straggly, out in the cold and angry.

It was a contrast which M. Georges Marchais, the Communist candidate, made much of as he boomed out his message through the loudspeakers round the Bastille. It was a contrast of which President Giscard d'Estaing showed he was well aware as he nailed down the plank job creation for youth as the most important on his election platform.

The President's seven-point job creation scheme was published yesterday in the form of an interview with the weekly magazine L'Express.

He promised: Professional training for the 100,000 unable to qualify for it; more financial aid for young workers; temporary workers to leave; temporary reduction of the legal early retirement age from 60 to 58;

Four injured in bomb explosion on Tel Aviv bus

From Our Correspondent
Tel Aviv, March 29

Four people were slightly hurt this afternoon when a bomb tore a hole through a roof of a bus. Scores of passengers escaped injury.

The bus, travelling from a coastal town of Netanya, had been approaching the central station here when its route was blocked.

The passengers became impatient and insisted the driver let them out. Only the women and the driver were left when a plastic bomb on a baggage rack went off.

Mr Yitzhak Molodtsov, Minister for Energy and Infrastructure, said that the cost of the \$300m for the project was a problem.

reduced taxation for small firms; encouragement for negotiations to reduce the working week; increased control of unemployment benefit funds; and wider use of employment benefit funds to help firms in trouble.

There was predictable condemnation of these ideas from all the main unions and political parties. The Communist CGT union went so far as to call the package "indecent" and the strong socialist CFDT said it was "gravely insufficient."

The Socialist Party thought the ideas might create about 5,000 jobs by 1986, compared with the million promised by the President. From his tribune in the Place de la Bastille, M. Marchais conjured up an even grimmer world if the package were ever put into operation.

"It will aggravate unemployment," he said. "It is not a plan for youth but for the bosses. Unemployment and ghetto cities—the bosses, the rich, the businessmen want them in order to make more profit."

Another candidate has now succeeded in obtaining the necessary support from elected officials to enable her to stand in the first round of the election. She is Mile Arlette Laguiller, of Little Ouvrière (Workers Struggle) who says she is standing to show the electorate that the left has another face to the one represented.

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Dundee city councillors savour Aral hospitality

From Christopher Walker
Jericho, March 29

Four Dundee city councillors crossed from Jericho into the Israeli-occupied West Bank today to the kind Palestinian reception reserved for members of foreign governments.

From the sumptuous open lunch served in the garden of a Jericho restaurant it was apparent that the League-financed visit has to be of international significance. It also aroused bitter opinion among British Jews.

As the councillors' group dipped Arab bread into unfamiliar array of Oriental salads, Mr James Gowans, Labour Lord Provost, confessed an Arab interior that the delegation was "welcomed" at the reception.

Mr Karim Khalaf, one of two West Bank mayors last year in car bomb attack made the opening "Welcome to the land of Palestine," he said. "If Palestine once, and it will Palestine again."

Using the occasion to vent his making political statements, Mr Khalaf declared support for the Pales Liberation Organization.

It rapidly became clear despite the delegation's support for the Pales cause, a wide cultural gap have to be bridged during five-day visit which culminated with a ceremony to mark twinning of Dundee and Nablus, the West Bank's largest town.

Apparently unaware of their host, Mr Bassan Sh the Nablus mayor, is a Pring Muslim. The Scots admitted they may have mistaken to bring a tar wrapped whisky bottle a municipal gift.

The councillors' group denied claims that the twinning arrangement and Dundee's decision to fly the Palestinian flag in the council chambers, has been the cause of a recent outbreak of anti-semitic slogans on walls in the city.

Generating can will go under the Gaza Strip

From Moshe Brilliant
Tel Aviv, March 29

The Israeli Cabinet in Jerusalem decided today that projected Mediterranean Sea power generating station should start as a tunnel under the occupied Gaza Strip.

Britain is ready to hold up EEC farm price agreement indefinitely unless specific demands are met

From Michael Hornsby
Brussels, March 29

Britain no longer sees any urgency about reaching agreement on the annual increase in EEC farm prices by the scheduled date of April 1, and would be prepared to hold up a settlement indefinitely unless a list of specific demands is met.

Foremost among these is that there must be no change in the value of the green pound, because this would simultaneously reduce the value of farmers' prices in Britain. A 5 per cent revaluation of the green pound has been proposed by the European Commission, and is strongly urged by the French.

Other demands are that the EEC must continue to pay for a 10p a lb consumer subsidy on butter in Britain (at present opposed by the French and Irish); a 145 a tonne "super" on excess milk production must be imposed throughout the community (at present opposed by most member states); Britain's special system of supporting beef producers must be

allowed to continue (no proposal on this as yet from Brussels); and long-term import arrangements for New Zealand butter must be approved (still blocked by Italy).

This tough new British line emerged on the eve of the opening meeting of EEC agriculture ministers.

The breakdown yet again of the EEC fisheries negotiations last Friday, which is blamed in London mainly on French intransigence, is cited by British sources as justifying a very hard line over farm prices.

The fisheries meeting was suspended at the request of EEC heads of government to reach a "once and for all" solution.

British sources say that President Giscard d'Estaing is "desperately anxious" to be able to offer his farmers a price rise before the French presidential elections next month, and therefore argue that the threat of delay could be a powerful weapon.

Another factor which has determined Britain to stiffen its price for an early agreement is

the emergence of a potentially attractive deal for many EEC countries as a result of monetary juggling in Brussels in the wake of the recent devaluation of the Italian lira.

Briefly, the European Commission has proposed the simultaneous readjustment and devaluation of the "green rates" of Denmark, Ireland, France, Italy and Greece (the "green rate" is the special exchange rate used for converting EEC farm prices into national currencies).

The effect would be to raise farmers' support prices by amounts ranging from 2.5 per cent in Denmark and France, to over 9 per cent in Italy. These rises would come on top of a common EEC farm price increase, which would be financed directly out of the Community budget.

Britain would derive no benefit from this because its green currency is already undervalued, and cannot be further devalued. The British, whose approval is required, believe that they are in a position to drive a hard bargain.

CIA finds no proof of Soviet terror link

Washington, March 29.—A draft report prepared by the Central Intelligence Agency "strongly disagrees" with contentions by the Reagan Administration that the Soviet Union is a key supporter of international terrorism, government sources said yesterday.

The sources, who asked not to be identified, said that the CIA view was contained in a draft of a national intelligence survey. The report was not intended for public consumption.

It (the report) strongly disagrees with Reagan's and (Secretary of State) Haig's contention that the Soviets are behind international terrorism, a source said.

However, the survey also includes assessments prepared by the Pentagon and the State Department, which disagree with the CIA conclusions.

The sources said that the CIA admitted that there was "circumstantial evidence" of Soviet involvement.

"The CIA's conclusion is a highly political one," one source said. The sources declined to say exactly what data the CIA had relied upon, but noted that much of it included classified information.

Mr. Alexander Haig said on January 28, in his first press conference as Secretary of State, that even though the Russians had been the targets of terrorist activities, "they today are involved in conscious activities which foster, support and expand" international terrorism.

"I think it is clear that we have an unprecedented, at least in character and scope, risk-taking mode on the part of the Soviet Union—not just in this hemisphere, but in Africa as well," Mr. Haig said. He ordered a review of administration efforts to combat international terrorism.—AP.



Thai marksmen move in to help Mr Robert Wainwright, a Briton who escaped from the hijacked Indonesian airliner at Bangkok yesterday.

Gunmen try to kill ayatollah

Tehran, March 29.—One of the most eminent supporters of Ayatollah Khomeini, the Iranian leader, has been shot and wounded in Shiraz, official reports said today.

Two young gunmen were said to have attempted to assassinate Ayatollah Rabbani Shirazi, the personal representative of Ayatollah Khomeini in the central province of Fars, and a bullet hit him in the neck.

Ayatollah Shirazi suffered minor injuries, but said in hospital: "The bullet... just missed my jugular vein."

The *Ettehad* newspaper, reported from Shiraz that responsibility for the attack had been claimed by Forqan, a mysterious group which is apparently dedicated to killing prominent Shia clerics.

Seven people, including two women, have been executed in Iran in the past few days for offences ranging from dealing in drugs to adultery, Tehran newspapers reported today.

The two women were sent before a firing squad in Ker-manshah province after being convicted of adultery and spreading corruption.

Two Afghans were said to have been shot by a firing squad along with two other narcotics offenders.—Reuter.

TV claims diplomats are former torturers

By Our Diplomatic Staff

Three diplomats attached to the Argentine embassy in London are accused in the Granada television programme *World in Action*, being transmitted tonight, of having tortured political prisoners at a secret anti-subversion centre in Buenos Aires.

The three men deny the allegations, and Señor Carlos Ortiz de Rozas, the Argentine ambassador, has rejected them as politically motivated, saying he sees "no grounds for serious consideration of the matter".

According to the *World in Action* all three men were employed in Buenos Aires in 1977 about 10 days after the arrest of the victims. About 10 victims were questioned, during the compilation of the programme.

New President: Lieutenant-General Roberto Viola was sworn in today for a three-year term as the thirty-eighth President of Argentina and the second President of the armed forces' five-year-old national reorganization process (our Buenos Aires Correspondent writes).

General Viola, who is 56, was handed the presidential baton and sash by Lieutenant-General Galtieri, the Army Commander-in-Chief and President of the Congress building. It was attended by the outgoing President, General Jorge Rafael Videla, Government officials, military officers and foreign diplomats.

ness for the torture and that the third applied the electric prod to her body.

According to *World in Action*, the three were posted to London just over a year ago when the Argentine authorities began sending abroad officers whose actions had aroused controversy over human rights.

The alleged instances of torture cited in the television programme all took place in 1977 about 10 days after the arrest of the victims. About 10 victims were questioned, during the compilation of the programme.

Seven Russian-made automatic rifles, ammunition and grenades were found as well as an assortment of axes, spears and knives.

The woman and men arrested are in jail. It found guilty of murder they will not be hanged, as was Mbuva Nehanda after the quelling of the Shona rebellion.

Police raid stifles Zimbabwean spirit power

From Stephen Taylor
Salisbury, March 29

Zimbabwe police believe that, with the arrest of several men and a woman who claims to have spiritual powers, they have nipped in the bud events with ominous similarities to the uprising against white settlers in Rhodesia in 1896.

Recent visitors to the Great Zimbabwe ruins, one of the country's main tourist attractions, have been disturbed by a woman who said she was the reincarnation of the spirit medium Mbuva Nehanda, who incited the rebellion of the Shona tribes in 1896 in which 103 settlers were killed before she was captured by the British.

The tourists reported that the woman was holding ritual ceremonies at Great Zimbabwe, the remains of an African civilisation that flourished in the fifteenth century, and last week the Department of National Museums and Monuments called in the police after discovering damage to the conical tower, the most imposing building on the site.

Spirit mediums still wield a powerful force in traditional Zimbabwe society and were used by the guerrilla forces to gain the support of rural people during Rhodesia's seven-year guerrilla war. In the latter stages, the Government also tried to use spirit mediums to turn people against the guerrillas.

No immediate connections were made by police between the ritual ceremonies and the recent murders of four people on farms in the vicinity of Fort Victoria, about 35 miles from Great Zimbabwe.

Early on March 11 Mr Abraham Rous and his wife were murdered in their farmyard by two men armed with automatic rifles. Five days later, at a farm near by, Mrs Helena van As and her grandson died in a hall of automatic fire as they were watching television.

The killings shocked the farming community of Fort Victoria which was unscathed by the war.

Investigations into these incidents culminated in a large police operation at a squatters' camp near Great Zimbabwe on Friday. As the force moved in there was gunfire and two men were killed—one as he was about to throw a grenade—police reports said.

Seven Russian-made automatic rifles, ammunition and grenades were found as well as an assortment of axes, spears and knives.

The woman and men arrested are in jail. It found guilty of murder they will not be hanged, as was Mbuva Nehanda after the quelling of the Shona rebellion.

Prince dies in crash
Angers, France, March 29.—Prince Hubert de Polignac, aged 62, head of the Cognac firm, was killed yesterday when his car was in collision with a motor cyclist who was also killed, police said today.

Prisoners of conscience



South Africa: Nelson Mandela

By Caroline Moorehead

When more than 7,000 London University graduates voted for Mr Nelson Mandela, the imprisoned black South African nationalist leader, as their candidate for Chancellor last month they represented not an isolated gesture but part of a coordinated campaign to secure his release.

In the past year alone, a number of governments, organisations and individuals have petitioned the South African government on his behalf. The United Nations Security Council has voted unanimously for his release and Commonwealth countries have taken up his case.

Mr Mandela has become the biter of countless meetings and gatherings. He has been awarded an honorary doctorate from the National University of Lesotho. On his sixtieth birthday, 10,000 birthday cards were sent to Robben Island where he is held.

Mr Mandela has been in this maximum security jail since 1964. Trained as a lawyer, he led the African National Congress (ANC) in 1944, coming its deputy national president in 1952 when he led 60 people in a campaign of defiance. In June, 1961, he and other ANC leaders set up *Umkhonto we Sizwe* (Spear of Nations) to carry out sabotage against public buildings.

A year later, he was arrested on charges of inciting strikes and leaving the country without a permit. It was while serving a five-year sentence that he was brought to court the chief accused in the trial and sentenced to imprisonment for sabotage. During the 17 years of his band's imprisonment, Mrs Mandela has kept up a constant battle of her own in the court of public opinion, a series of bannings.

he campaign for Mr Mandela's freedom, moving so far afield the country, is also being conducted from within.

9 escape as ash landing

Brussels, March 29.—One dred and nine passengers the crew escaped unhurt their chartered Boeing 707 landed at Brussels airport one engine on fire today.

are officials reported. The aircraft, owned by a Belgian charter company, had at 9.27 am for Las Palmas en route when one of its four engines caught fire.

retained in the airport landed outside the runway, passengers and crew left through the emergency exit.—AP.

mb damages army office

essen, West Germany, 29.—A bomb planted on outer wall of an American security office here exploded today causing extensive damage. Although two were in the office at the time, no one was hurt.

lice said the explosion had an estimated 122,000 lbs of the office and shattering windows in buildings over away.—AP.

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Carrington pledge on aid for Afghan refugees

Quetta, March 29.—Lord Carrington, the Foreign Secretary, yesterday pledged £4m in aid to Pakistan to help that country cope with the influx of Afghan refugees. He told a meeting of refugee leaders at a camp site 60 miles from Quetta during his three-day visit to Pakistan that Britain and the European Community supported them and understood their problems.

Lord Carrington sidestepped repeated pleas from the Afghans, many of whom said they crossed into Afghanistan to fight with anti-Soviet insurgents, for anti-tank and surface-to-air missiles.

"We, the 10 countries of Europe, are doing our very best to get the Russians out of Afghanistan," he said.

At a press conference in Islamabad he said Britain

supported the cause of the insurgents in Afghanistan. Asked if London was supplying them with weapons he added: "I don't think that kind of matter is best discussed in public."

Lord Carrington, who arrived in Pakistan on Friday held talks with Government leaders on a new way to put pressure on Moscow to withdraw its troops.

He told reporters that there was no sign yet that the Soviet Union was prepared to leave Afghanistan, but added that the position was not irreversible.

"The present danger is that the Soviet Union may use Afghanistan as a base from which to expand," he said.

Hongkong, March 29.—Lord Carrington arrived here tonight. He will stay for two days before going on to Peking.

Curb on arms for Africa sought

By Henry Stanhope,
Defence Correspondent

A fresh initiative on limiting arms sales in Africa is called for in a report published today. It is among a series of recommendations put forward by the International Peace Academy (IPA) to strengthen the hand of the Organization of African Unity (OAU) in coping with crises in its continent.

The IPA undertook the study after the disappointing OAU summit at Lomé last autumn, when the African leaders failed to find a coherent policy on problems in the western Sahara and in Chad.

In today's report, the academy says that the scale of disputes in Africa is greater than the OAU had been designed to cope with. They include the boundary dispute between Ethiopia and Somalia, the political conflicts between Uganda and Tanzania, the succession question in Djibouti and long-standing colonial and racial arguments.

Military spending has doubled every five years in Africa since 1963, and more and more guns have found their way to unofficial groups,

making increasingly difficult the job of peace-keeping on the continent.

The report has been compiled by Mr Hugh Manning of the IPA and commands regional groupings between powers in Africa in order to control the clandestine flow of arms. It also believes that the OAU should develop its executive structure to cope with crises as they emerge.

Medium-sized powers could advise upon security and offer logistical aid on peace-keeping missions, perhaps paid for by Opec countries who have an interest in seeing stability preserved.

The report also calls for more cooperation to cope with natural disasters, it only by arranging overflying rights in advance.

On arms sales, it argues that few of the big suppliers seem able to win much political leverage from their sales—something evident in the Gulf War where the United States and the Soviet Union have seemed quite unable to exert much influence upon the course of events.

The expense of the more sophisticated weapons hardly seems justified for local

security needs. There is now, for instance, a new generation of anti-tank and anti-aircraft weapons which are effective and inexpensive, making further heavy investment unnecessary for most countries.

Constraints on arms deals in Africa could be made through existing arms control discussions, the study says, with the OAU having an important role.

A separate study also published by the IPA today recommends the use of early warning surveillance systems to help monitor the peace along disputed borders in Africa.

This suggestion is made after the success of the American early warning systems used in Sinai between 1976 and 1980 to monitor the Egyptian-Israeli peace agreements.

The report says that such systems could help elsewhere in the Middle East, particularly in the Golan Heights where the United Nations force has been badly hampered by a lack of advanced equipment.

The Organization of African Unity: A role for the 1980s, and Weapons of Peace (both published by the International Peace Academy, New York).

Foot-and-mouth disease strikes again in Brittany

From Our Own Correspondent
Paris, March 29

Another case of foot-and-mouth disease has been confirmed in the Côte-du-Nord department of Brittany. This thirteenth case of the current epidemic was reported just as the authorities were beginning to hope that the disease had been stopped in the area.

The animals on the farm concerned had all been vaccinated seven days before and the last case in the area had been confirmed nine days earlier. The vaccine is supposed to become effective after the tenth day so the new outbreak has dashed the hopes that were being raised.

Spanish police shots kill British cargo ship master

From Richard Wigg
Madrid, March 29

The British master and owner of a small cargo vessel, docked in a Basque port, was the victim yesterday of a Spanish policeman's fire.

Captain John Wilkinson, aged 43, from Surrey, was shot dead on board the London-registered *Argus Pride* while in the port of Pasajes near San Sebastian. He had been involved in a dispute about an alleged theft.

The incident occurred only minutes before Señor Alberto Oliart, the Spanish Defence Minister, was due to embark on a naval vessel, moored close to the British ship, as part of his tour to inspect the latest

security measures against Basque terrorism.

According to the police, Captain Wilkinson appeared from his cabin and fired three shots when two plainclothes policemen tried to detain a British sailor who had been accused by black African sailors, belonging to another ship, of stealing £70.

But, according to the *Argus* prize crew, Captain Wilkinson had only fired warning shots. However, another policeman, believing his colleagues were under attack shot him.

Suspect shot: A suspected member of the ETA military wing was today shot dead in Victoria as he was fleeing with a group of other young men

EEC in step for switch to Summer Time

From Michael Hornsby
Brussels, March 29

All EEC states changed to Summer Time at 1 am Greenwich Mean Time today, the first occasion on which they have put their clocks forward simultaneously.

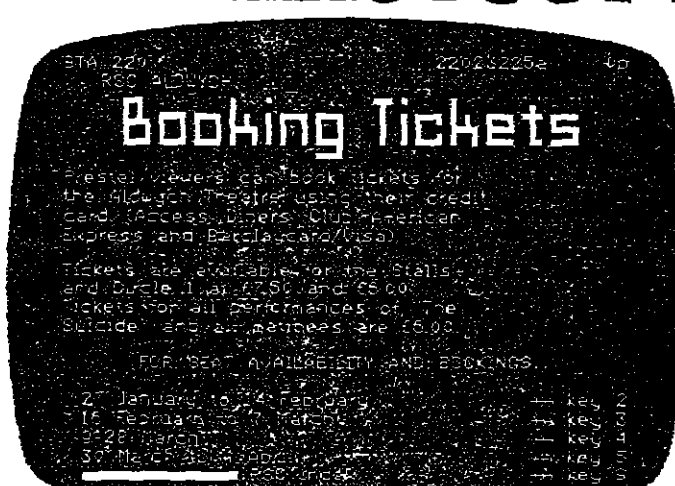
The unfamiliar accord will not last long. The continental powers will put their clocks back an hour at the end of September, but Britain and Ireland will not do so until the end of October.

It is hoped that the harmonization, which will be repeated next year, will make life easier for travellers, telephone users and transport companies.

A proposal just submitted by the European Commission would fix common dates for both the start and end of Summer Time for every year from 1983.

The idea is that clocks should go forward on the last Sunday in March or the penultimate Sunday if Easter intervenes, and back in the period March 23-31, except in 1989 when the date would be March 19.

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Mathebula lets his admirers down

You are a silly Aird supporter and you are a silly Liverpool fan. You are a Liverpool for the Aston Villa Sports Centre today. No facts, no sense. It is a free ride (Aird is selling it for £1000) and you will be required to shout your head off as your hero tries to lift the roof off the stadium. I am a fan while Gordon Ferra is a fanatical hen. Very much a Broomie went to make his face resemble a hen.

Ferra believes that the 35-year-old London publican is not only pouring his money down the spill but also his brains. He is not as well. For a year ago Ferra beat him on points. Still, if you like a hard and sing-song, now was Ferra's victory over him.

Though Ferra possibly hits harder and is six years younger, he does not know as much as the old pro, who has beaten him on points and five draws against Ferra's 15 wins and four defeats. One of these four defeats was at the big hands of a Canadian fighter, who has Canadian pine floor boxing as a specialty at the prospect of Big Stan hitting them full in the face. Which was what happened the next time they met.

Aird has had a few bright patches in his 10-year slog: as when he floored John L. Gardner in the first round, laid into an untested Alvin Dineen in the second, good fight against Alvin, fought the best of the best, Alvin Dineen, and against a boxer and boat Tony Moore, who on his last sighting was mostly improved.

There is a question mark over Aird's temperament which does not seem too suited to tucking in the jaw and getting the nose under the wheel. For instance, after punching out a boxer in the first round, he gave up in the fifth. He blamed lack of fitness. He was three years younger then.

He says his big wind and ready for the fight is a good thing. He was for 14st 11lb. All the same, he has a tendency to flop on the big men and expect that, after the big men have been beaten, he will lean for long periods. The odds will lean towards the younger ones.

Books

the art of song
 this year's Touraine Festival,
 which opens on June 21, will
 be devoted principally to the
 art of song. There will be six
 vocal recitals, the first on June
 22, given in turn by Birgit Fin-
 nson, Christa Ludwig, Tom
 Krause, Barbara Hendricks,
 and Jurek Bergerian and Evgeni
 Yermolenko. In addition, Eli-
 as Schwarzkopf is providing
 a series of master classes,
 one hour each, twice a day.
 The festival will be open to the pub-
 lic. Stanislas Richter, the ins-
 tructor behind the festival,
 will also be giving a series of

The cuts being imposed on universities are now so severe that between five and ten could virtually lose their graduate facilities in the sciences, engineering and medicine.

Diana Geddes reports on the crisis in higher education

About 12,000 fewer British school leavers will get places at universities over the next three years as a result of Government cuts in university finance; and some existing students may well have to change university or mid-course as departments in their own universities are forced to close.

The University Grants Committee has estimated that the universities will lose more than a tenth of their income in the same period. That would mean a reduction in academic staff of about 15 per cent and a cut in the total number of home students of at least 5 per cent. The cuts in the sciences, engineering and medicine are particularly severe. The cuts in the arts and social sciences are less severe, but still significant.

The Government has not produced figures for the next three years, but it has admitted that the planned cuts in both the university and the public sectors are "likely to lead to some reduction in the number of students admitted to higher education with increased competition for places".

In allocating a £1,000m grant to universities for the next academic year, it has assumed that the total number of British 18-year-olds going into higher education will be 225,000.

Because the intake of home undergraduates has been increasing by about 3 per cent a year, the Government has assumed that the total number of students admitted to higher education will be 225,000.

The Government therefore appears to have abandoned once and for all the Robbins principle that all those suitably qualified by ability and attainment should have the right to higher education, a principle which has formed the basis of successive governments' "policy" on higher education for the past 20 years.

The effects of Government cuts on higher education and students will be one of the central issues of the National Union of Students conference which opens in Blackpool tonight.

How far are the current upheavals in the Islamic world likely to affect the 40 million Muslims inside the Soviet Union? The question has been exercising the minds of Western analysts since the revolution in Iran and the invasion of Afghanistan, and was the subject of a conference held by the Carnegie Endowment for Peace in New York last weekend under the chairmanship of Edward Mortimer, at present on leave from *The Times*.

Western experts differ over whether the people of Uzbekistan, Azerbaijan, Tajikistan, Kazakhstan, Kirghizia and Turkmenia are more infected with Islamic revivalism or whether the true moving force in the southern republics is nationalism rather than religion.

Some argue that since the vast majority of Soviet Muslims observe Islamic rituals in fundamental matters of birth, marriage and death, Muslim identity has taken the place of the more outmoded ideology of Marxism. Others suggest that Tajiks, Uzbeks, Kazakhs and the rest are aware of their ethnic identity first and their Islamic heritage second.

What is beyond dispute is that the Russians themselves are aware that something is stirring down in the south, and are greatly apprehensive about the consequences. According to Murray Fashbach of the US Census Bureau, the

form of higher education we wanted, for whom, for what purpose, and whether what we were already doing was desirable.

The Labour discussion document presented five options of ways to cope with the implications of a continued growth in the 18-year-old age group until 1983, followed by a drop of about one third by the mid-1990s. Predictably, everyone in higher education plumped for the option which allowed for continued expansion, with the expected fall in the number of traditional students being offset by an increase in the number of women, working-class, and mature students.

But when the Conservatives were returned to power in 1979, the economic recession deepened, and the universities received their first shock: the Government announced that it was to stop "subsidising" universities in respect of overseas students. By 1982-83, some 125 million or 11 per cent would be deducted from their grant. They could, however, be told, attempt to make good that loss by charging so-called "full-cost" fees, or the average cost per student, which this year amounts to around £4,500.

Unreality rather than panic

The Government promised no reduction in the universities' grant for British and EEC students until 1983-84. That was the position until last December when the Government suddenly announced a cut of more than 3 per cent in their grant for the next academic year; that was followed by the news in the public expenditure White Paper, published earlier this month, of further cuts amounting to some £170 million or more than 8 per cent over the next three years' end that was in addition to the cuts in

respect of overseas students.

The reversal of the universities' fortunes has been swift and dramatic, but has so far created a feeling more of unreality than of panic. Many academics talk of a "crisis", but do not really believe yet that it will happen to them.

Individual universities will not know to what extent they will be affected until the University Grants Committee makes its distribution in May of the block grant from Government. The committee is an independent body, consisting mostly of distinguished academics but with some outsiders, which is intended to act as a kind of "buffer" between the universities and the Government, giving advice on both sides but traditionally leaving universities free to conduct their own affairs.

Dr Edward Parkes, its chairman, has promised a "major reshaping of the university system. That had been planned well before the latest round of cuts, and was designed, as Dr Parkes said in his address to the Committee of Vice-Chancellors and Principals last October, to make universities "concentrate on their strengths, and not support pallid growth, which are now never likely to reach maturity".

A greater degree of direct intervention from the committee was now necessary, Dr Parkes said. The laissez-faire philosophy of the past was no longer possible during a period of retrenchment.

Dr Parkes spoke at that time of the necessity for more shared teaching between institutions and for the concentration of research facilities. Now, in the light of the latest cuts, he is talking of the closure of departments and even colleges.

The committee intends to spread the cuts "very non-uniformly", Dr Parkes said earlier this month. That will be reflected in the May distribu-

tion of grant which is expected to cover the three-year period up to 1983-84, and which will come with much more specific "guidance" than universities have ever known before; and guidance backed up by the big cuts now contemplated become the equivalent of directives.

Some universities may only lose two or three per cent of grant over the next three years, but others are likely to suffer cuts of 20 per cent or more, in addition to any loss of income due to overseas students. That means some universities could lose up to a third of their income by 1983.

Between five and ten universities could virtually lose their graduate facilities, particularly in the sciences. Others may lose entire engineering or medical faculties, or departments within faculties. Some may escape with slimmer versions of what they have already got. The cuts now being imposed on the system are so big that tinkering is no longer possible.

Unless the Government provides the redundancy money needed to bring about these changes—and the UGC's best estimate is that some £100-£200m will be required over the next three years, which would wipe out most of the Government's intended savings of some £300m in respect of both home and overseas students—some universities will have no alternative but to go bankrupt.

It is now that the absence of any real policy for higher education is most glaring. The lack of a policy did not matter during the years of expansion, and indeed was probably a blessing, giving individual institutions the freedom to experiment and develop. But now some guidance on what should be protected and what could be discarded might have been useful.

The nearest thing we have to a policy is the four objectives listed by the Robbins Com-

mittee as being essential for a properly balanced system of higher education. They are: instruction in skills; promotion of the general powers of the mind; the advancement of learning; and the transmission of a common culture. In the present clamour for greater "relevance" and responsiveness to national manpower needs, it would be well not to forget the last three.

The 45 universities in Britain are not a homogeneous group. They are independent bodies which vary greatly in character, size (some more than 800 years old, others less than 20), size (one with nearly 50,000, another with nearly 5,000), and income (some receive less than £1m from Government grant, while one, London, receives around £200m).

Little room for manoeuvre

Yet the public tend to view them as a whole, and at present the image is not a kind one. To many, the universities appear elitist, arrogant, engaged in "non-productive" work, and for too long comfortably cushioned from the harsh realities by taxpayers' money—more than 90 per cent of their income comes from public funds—yet reluctant to be made accountable.

In the past the universities have cried out when they were picked: now that the wounds are deep, they should not be surprised that few are rushing to their aid. Some observers, including some inside the universities, believe that there will have to be one or two real corpses before public sympathy is aroused.

The universities argue, and with some justification, that it is foolish to cut them when there are many less respected

institutions in the public sector taking in the students they reject, which could be closed. The total planned for spending on higher education in 1982-83 and 1983-84 has not yet been divided between the university and the public sectors, or in theory the universities could be given a bigger share than is strictly their due.

But, in practice, there is little room for manoeuvre. Universities get two-thirds of the total for higher education, on every 1 per cent cut for them means an extra 2 per cent cut for the public sector, and the public sector is already having to accept cuts as large and unmanageable as those in the universities. Polytechnics and colleges, like universities, will have to shed one in six of their staff over the next three years in order to meet the cuts.

However, there are two big differences. Unlike most university teachers, the academic staff in the public sector do not have tenure, so the cost of their redundancy payments is likely to be much smaller; and, if a maintained college runs into serious difficulties, the local authority could supplement its income from the council's education budget, or even have to raise its own additional funds.

Some universities already raise a significant proportion of their income from private sources through such things as patented inventions, research grants, holiday lettings, consultancy fees, and endowed chairs. In the United States, there is large-scale funding by industry of private universities; but British universities feel that there is a limit to which they should, or could, go down the road of turning themselves into business enterprises.

The uneven cuts now planned by the UGC will inevitably lead to a much greater differentiation in the status and prestige

of different universities. A once there is a clearer hierarchy of institutions, some steps devoid of all graduate facilities, what will be the justification for retaining the increasingly artificial distinction between institutions in the public and private sectors?

Education ministers, senior officials at the Department of Education and Science, and UGC, would privately like to see a single system of higher education with perhaps a premier league of institutions, notably including some polytechnics, providing a full range of undergraduate, postgraduate research facilities; a second league with a more restricted range; and a third, including perhaps some universities, w undergraduate provision only.

The realization of that vision is a long way off, however. A first step, it is dependent on the establishment of an independent national body to fund higher education, the public sector, and that already run into difficulties.

It is impossible to predict what the university system will look like in, say, five years. The present crisis could prove salutary, leading to a beneficial rethinking of priorities and an overdue pruning of dead wood; or it could result in the chaos of the vice-chancellors' Much depends on whether the Government is willing to put in the necessary funds to run down the system in an orderly fashion.

Either way, however, it will be a painful process for the involved: colleagues will be asked to leave the college, the promotion prospects will be dimmed; some first-rate academics will find themselves thrown out with the second-rate; and a number of brilliant young graduates will be unable to enter the scholarly career to which they could be most benefit to the country.

Bankruptcy and closures: the grim future that is facing our universities

The lucky ones: Students at Oxford (left) and Warwick. In the next three years 12,000 fewer British school leavers will get places if cuts go through.



Why the Islamic revival worries Moscow

birth rate among Soviet Muslims is two and a half times higher than in the rest of the Soviet Union, and Great Russians are likely to find themselves outnumbered by the end of the century.

At least one third of the Soviet armed forces will be then be of Muslim origin. The invasion of Afghanistan has left Soviet Muslim soldiers with an abiding memory of Russia in action against their Muslim Afghan brothers.

Afghanistan has also shown that even the Red Army is not invincible, and in this sense that could do wonders for

the Soviet Muslims' self-assurance. The Central Asians are in any case self-assured, for the simple reason that time is on their side. One problem giving Soviet planners more than a few sleepless nights is that while the labour force in Russia proper is declining, that of the southern republics is increasing.

Eventually Moscow will presumably have to produce, cajole or force Muslim workers to move north to established industrial centres. If they do not, the mountain will have to come to Mohammed, and Soviet industry will move southward, in that case the

centre of gravity would begin to shift away from European Russia altogether.

The Soviet authorities have so far tolerated the persistence of Islamic customs in the southern republics and have established a working relationship with the spiritual leaders of what might be called official Islam. Moscow has even allowed official Islamic figures to travel in the Middle East, promoting the image of Russia as a true friend of the Muslim world.

On the other hand, a powerful "unofficial" or parallel Islam has grown up, and the authorities are finding it diffi-

cult to deal with. Unofficial Islam is centred on the traditional village councils and Muslim guilds of Central Asia, as well as on underground Islamic brotherhoods, including those which adhere to the Sufi sect.

Communist officials in the Muslim republics are now publicly denouncing Sufi "bandits" and "terrorists", a sure sign of the extent of official alarm by the growing strength of the brotherhoods. There is talk of the need for vigilance against "foreign agents", widely construed as a reference to the impact on the southern republics of the Islamic funda-

mentalism preached across the border in Iran.

The Soviet media have also begun to deal openly with the previously taboo subject of rebellion by Basachi tribesmen against Soviet rule in the 1920s and 1930s. As Dr Charnoy, *Lamartine-Queleux* told the conference, the message from Moscow is clear: "We have crushed Muslim resistance in the past, and we will do so again, whether in Afghanistan or inside the Soviet Union itself."

There is no immediate prospect of a new Basachi rebellion. For one thing, the Rus-

sians have been careful to prove living standards in Central Asian republics.

On the other hand, revolutionary movements—whether religious, nationalist or both—can just as easily take shape in a society where expectations are low.

The Russians face a further Islamic challenge from a south which unexpected quarter China. The Chinese have a substantial Muslim population, and recently Peking has quietly but effectively promoting its own image as a friend of Islam.

Richard Owe

I know, Judy, let's put on a show of our own

Sometimes I am to be seen, huddled furtively behind the collar of my anorak, in some of the least salubrious parts of New York. It could be Soho, that area of warehouses between Greenwich Village and Wall Street; or Hell's Kitchen, the desolate tract between Times Square and the Hudson River; or almost anywhere.

A little nervously, I read the uneven pavements, searching for elusive numbers on grimy, ill-kept doors. Finding the right one, I rattle the handle, open it and duck hurriedly in, normally to be faced with peeling paint, loose floorboards and a smell of mould.

What nefarious purpose, you may wonder, am I about? I am going to the theatre—not the Broadway of mindless comedies or mildly salacious, but the outer reaches of Off-Off-Broadway where, in partial secrecy, the works of such authors as Bernard Shaw, Lope de Vega, Ren Jonson, Agatha Christie and Tom Stoppard are played in forms which sometimes their authors would scarcely recognize.

Having found someone to sell me a ticket and I shall often meet him or her later as head murderer or detective, I move into the theatre. Often it is hard to distinguish the stage from the seating. Once I found myself entering a British suburban drawing room of the 1930s through the french windows and

had to push past potted plants and casually strewn copies of *The Times* before reaching my seat, within answering distance of the prewar telephone on which the murder plot was to hinge.

Although the dilapidated venues give the impression that the shows are produced on a casual basis, Off-Off-Broadway, like all New York theatre, is in fact highly structured. It operates under the rules relating to seat prices, length of runs and payments to actors. It has its own organization, the Off-Off-Broadway Alliance, to which 83 theatres belong, though Nancy Heller, its executive director, estimates that there are about 200 makeshift theatres in New York in which Off-Off-Broadway shows are staged.

The alliance was formed in 1972 to cater to the subgroup of theatres that had begun to emerge in the 1960s, one level of professionalism lower than Off-Broadway, the long-standing casual end of the professional New York theatre.

Off-Broadway was created to allow room for experimental theatre which high production costs and comparably high ticket prices ruled out on Broadway itself. When even Off-Broadway began to get institutionalized, to develop ambitions above (as some saw it) its station, enthusiasts banded together to produce unpre-

studies plays in cafes and community halls.

The Off-Off-Broadway distinction between Off-Broadway and Off-Off-Broadway is that the Off-Off actors are either unpaid or paid a modest expense allowance agreed with the actor's union.

It is a peculiar phenomenon, unique to New York—ironically, a city which in most respects conforms slavishly to the money cult. Actors and directors who cannot find paid work are keen to practise their craft for no reward except the remote prospect that they will be discovered and become famous.

A bit plaintively, they will often put their telephone numbers next to their names on the cast list.

Ever since Mickey Rooney and Judy Garland made those movies about doing a show, everyone's always wanted to be doing it in New York," said Ms Heller.



On the whole, my own Off-Off forces have avoided complete disaster. If narrowly, I have a weakness for Shaw and follow him to the most unlikely corners and warehouses where producers of ambition have decided to regale us with some of his rarely performed one-acters.

The most recent production gave a good idea of why they are rarely performed. It was a war and cold Sunday afternoon in the East Village. The theatre was a long, thin room, more a corridor, with the audience of 15 bunched uncomfortably at one end. Most were friends of the actors.

The first two plays were from Shaw's Russian canon—played, in no good reason, in thick Russian accents which made them barely comprehensible. Just as that, along with the damp of the evening, was beginning to curdle, the company came on with a marvellously brightly performed *The Dark Lady of the Sonnets* to warm us up for the journey home. It is that kind of unexpected reward that makes it worth it, if on this occasion only just.

The *Soho Rep*, housed in a former fabric warehouse on the edge of Chinatown, is a fairly typical, middle-of-the-road Off-Off-Broadway operation. It illustrates both the rewards and the difficulties of running such a company.

Even paying the actors \$100 for the five-week run of a show—the least they can offer under union regulations—puts a strain on the budget and the theatre is making a loss. They charge \$5 a seat, and at an average performance fill 70 of the 180 seats. The lease of their warehouse, which costs \$750 a month in rent, expires this year and there is a real question about their future.

If the theatre does close, it will be one less outlet for the thousands of hopeful actors who live penuriously in New York in the hope of getting to tread even such unglamorous boards as these.

When Engelbach and Marlene Swartz founded the *Soho Rep*, they hoped that one day they could make the leap from Off-Off-Broadway to Off-Broadway, being able to charge higher ticket prices and pay their actors more generously. In the present climate, with a proliferation of small theatres chasing a dwindling amount of financial support, there is no prospect of that.

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Michel Leapman

FOOD INDUSTRY

'Preservers of the harvest' — food processors are a vital link between the land and the larder

Our diets would be tediously limited without the efforts of food processors. We would eat peas only in July, tomatoes only in the autumn and soup only when we took the trouble to make it from raw ingredients.

Food processors like to call themselves the "preservers of the harvest". It is a grand-sounding title which accurately summarizes the purpose of their existence. Yet they have been so successful in bringing us food out of season that we have almost forgotten that the seasons exist.

When we see a tin of vegetables in a shop we do not inwardly rejoice at the skill of the businessman who has brought them to us for less than the cost of a tin of weedkiller or paint. We feel no inward glow of gratitude for the skills which have saved us the trouble of digging, peeling, cooking and storing.

We see the tin of vegetables not as the crowning achievement of a multitude of interlocking talents, but as one of a number of equally dull groceries. Buying them is a chore; eating them is a necessity. We tend to associate the food processing industry not with glamour, excitement and entertainment, but with uniformity and cheapness in both senses of the word.

The expert cheese grater is forced to apply his knowledge to the production of a million identical rectangles which, once relieved of their wrappings, look from a distance like bars of soap. The taster, whose delicate senses can instantly differentiate the leaf of one estate from that of another, must spend his life compressing the gloriously variegated harvest from the plantations into the uniformity of teabags.

Are the criticisms justified? Is the industry guilty of taking the fresh, crisp and flavoursome offerings of land and sea, and of turning them into a luridly-coloured mush

delude consumers through advertising into eating profitable rubbish that masquerades as wholesome food.

Food processors are in tune with the times, making products that score on convenience and cost before anything else. The principal success of the food industry in recent years has been to enable its customers to save time and money for use elsewhere. There are now as many varieties of expensive music centres in the shops as there are of cheap baked beans.

People travel more than in the past. They spend longer at evening classes and on their own home and vehicle maintenance. Freedom for women has meant freedom from domestic chores. The custom of the morning spent over a hot stove is dying out.

People want food which is quickly bought, prepared, eaten and forgotten. Schoolchildren returning home once have been greeted with a kipper and a plateful of toast. Today they are more likely to arrive home to find a pot noodle and a packet of crisps.

The food industry has adapted itself to the times so adeptly that it has occasionally almost cut its own throat. Competition has been fierce as companies have undercut each other ruthlessly and mergers have been frequent.

Household names like J. Lyons and Crosse & Blackwell are parts of larger empires. Cadbury Schweppes, which was once associated in the public mind with chocolate and cocoa, now has substantial interests in marmalade, jelly and mash as well. HP Sauce is part of a huge conglomerate which extends from frozen crab to tinned prunes. Rank Hovis MacDougall, which evokes images of flour and bread, is also an important contender in the markets for salt, suet, cake and curry.

The industry is often said to be dangerously concentrated into a small number of large combines whose power to dictate terms to customers

and suppliers has escaped the net of the monopolies legislation.

In the chain of food distribution, however, the processor is probably the weakest link. Farmers have banded themselves into powerful unions supported by the strength of the Common Agricultural Policy. Politicians request from processors for it to be changed into a common food policy in which the "preservers of the harvest" would be given equal status with farmers have been almost ignored in Brussels.

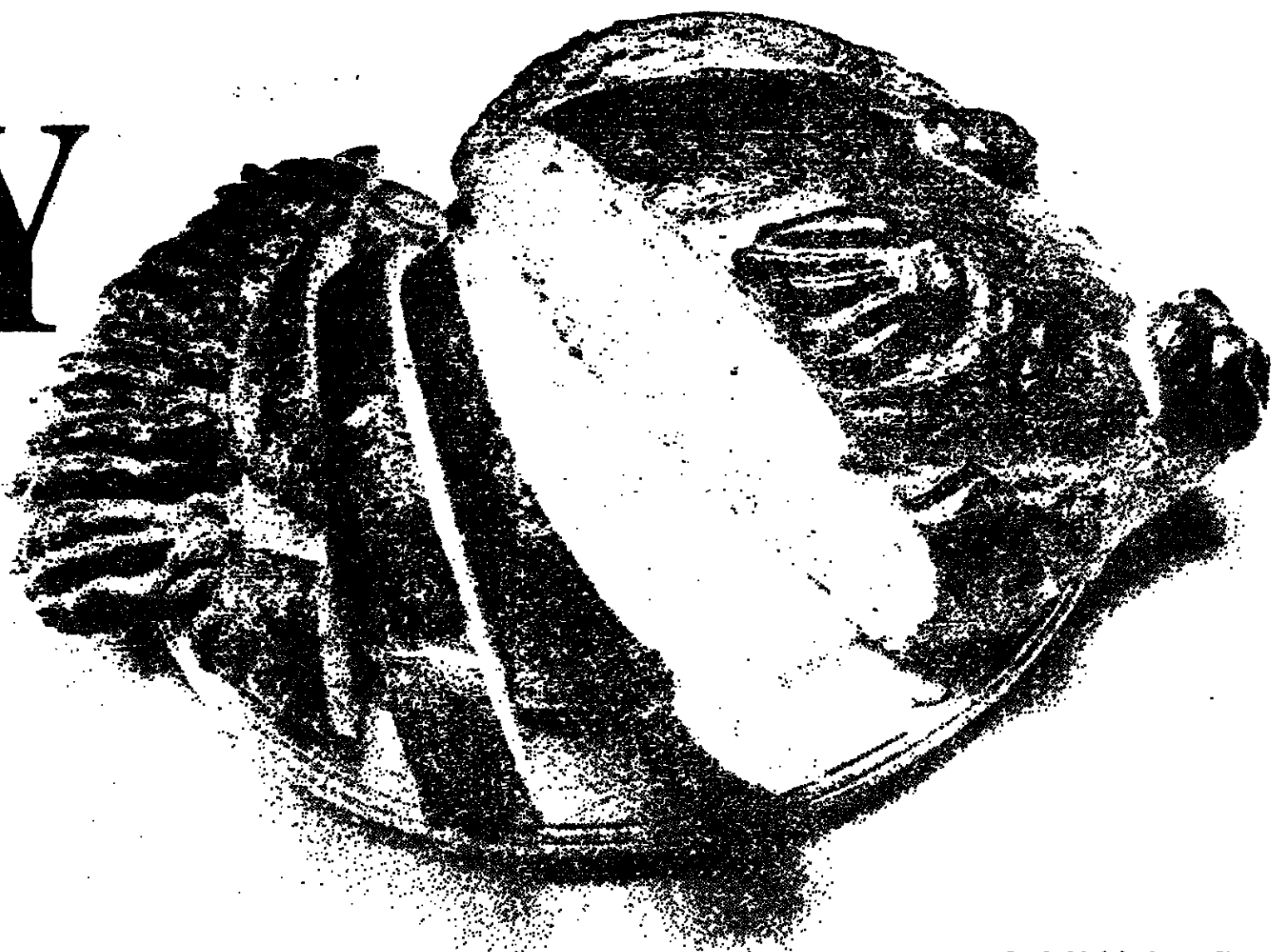
At the other end of the scale the retail business is even more concentrated than the food processing industry, with the six largest supermarket chains accounting for more than a third of the national grocery trade. That gives the chains enormous power to dictate terms about prices and deliveries to the food companies. It also means that if a new product is rejected by some of the largest chains, that product is doomed.

The consumer is the final link in the chain and does well out of it. There is variety for all, and those who demand the best quality and variety are catered for. Processors have suffered most from the squeeze on profits caused by a static population and a steady tendency for families to spend less of their income on food.

Their public image is poor. They are accused of spending money on advertising sugarcoated foods that would be better devoted to independent research into tooth decay. They are accused of wasting packaging by putting small products in large boxes and of raising false expectations about their goods with the crafty design of labels.

While they lay themselves open to such claims, their genuine value of "preservers of the harvest" will be obscured.

Hugh Clayton
Agriculture Correspondent



Loaf of fish by Bonita Young. Photography: Gordon Ferguson

Brussels a source of frustration

In the mid 1970s Sir Guy Lawrence, who is now chairman of the Eggs Authority, was a senior lobbyist acting for food processors. He was once asked about their industry's relations with Mrs Shirley Williams. "She rules us with a rod of iron", he replied gloomily.

Mrs Williams was then a minister in Sir Harold Wilson's Government. As Secretary of State for Prices and Consumer Protection she was portrayed as the nation's chief inflation-fighter. With the Price Commission at her side she tried to curb the

increase in the cost of living. Food companies found themselves placed squarely in the centre of the campaign against inflation. It is a position that they know well, for whenever ministers or governments want to show that they are curbing inflation, they invariably pounce on the food industry.

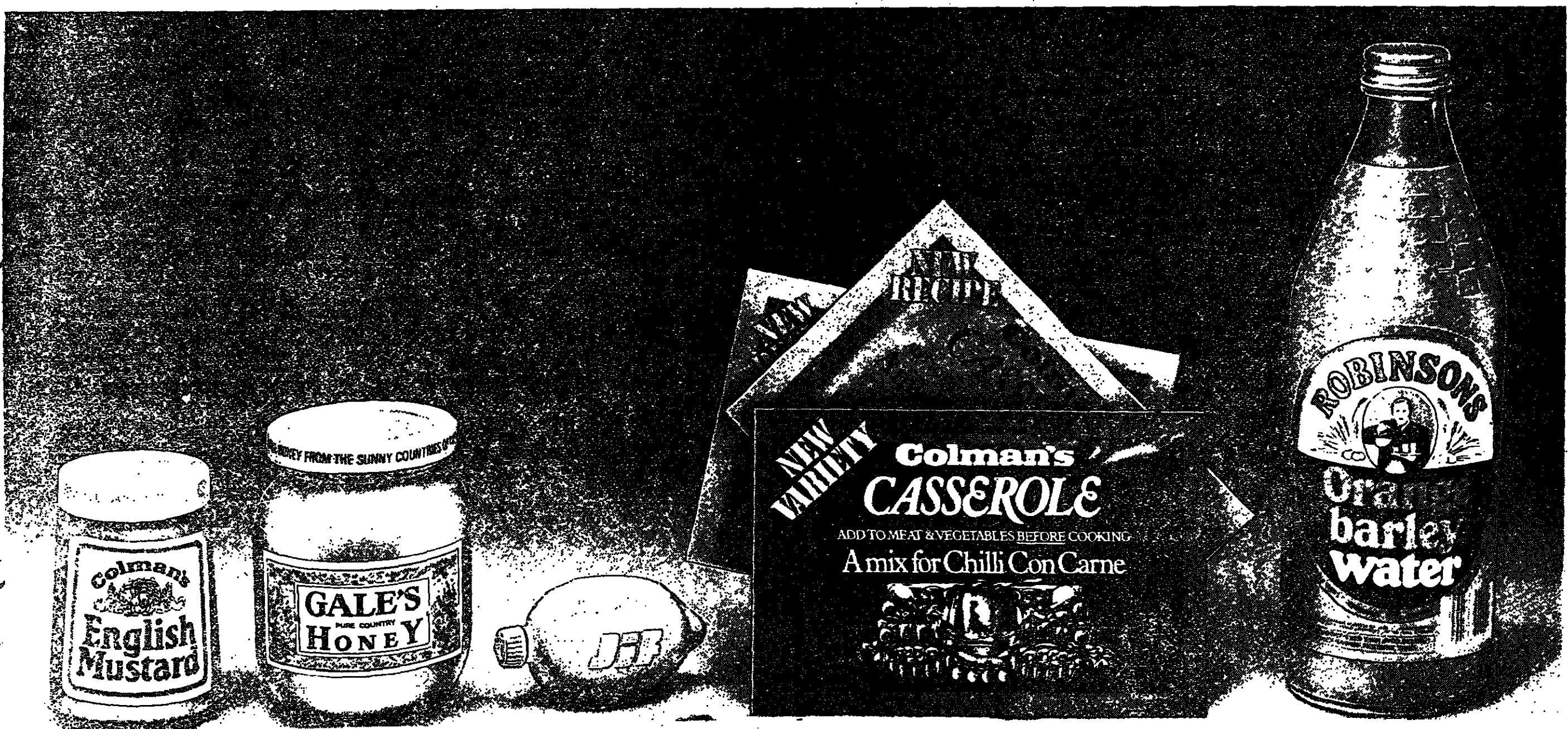
The industry resents being kept in such a politically-sensitive position, and considers that it has to shoulder a burden which is not inflicted on other sectors. The period since the Conserva-

rives were elected in 1979 has been exceptional. The present Government acted quickly to fulfil its manifesto pledge to abolish the Price Commission, and the food manufacturing industry danced happily on the commission's grave. Subsequent movements in the cost of living have confirmed the industry's contention that the impact of the commission on food prices was negligible. The rate of increase in those prices is now well below that of the general cost of living as suppliers compete for

dwindling sales. The latest official survey of food consumption by households shows that families have been trying to save money by buying cheaper varieties of their everyday groceries. The industry's scramble to sell to families affected by unemployment and short-time working has had more effect than the Price Commission ever managed to exert.

The Conservatives, who invented the commission in the Government of Mr Edward Heath, appreciated by the late 1970s that it was an almost worthless lump of

bureaucracy which exasperated industry and raised false hopes in the consuming public. Today the anti-inflationary fervour of Britain has moved away from food to settle on interest rates and the prices charged by nationalized industries. Food manufacturers nevertheless remain apprehensive, because the looming presence of the Common Agricultural Policy is never far from their deliberations. The policy is as important to food processors as to continued on page 111



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"Quick, Write in the competitors to these famous brands"

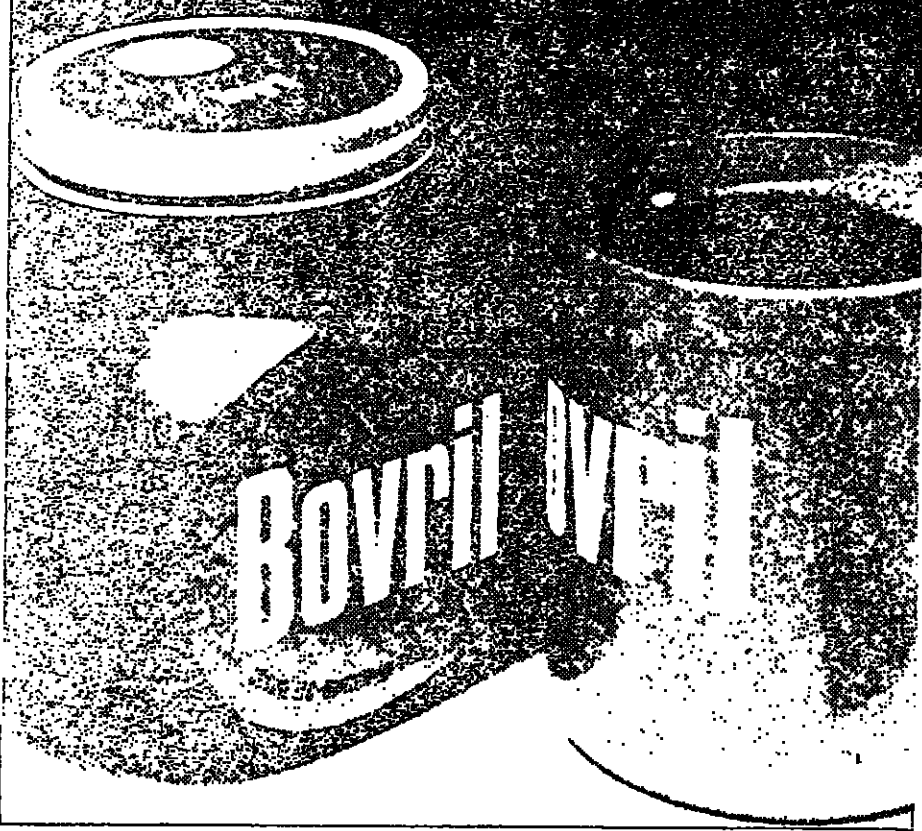
They're all from the Reckitt & Colman stable.
The fact that it's not exactly easy to think of competitors tells you something about the way Reckitt & Colman builds a brand.
We make sure it's what people want. We support it. We graft on terrific

brand loyalty. Till, in the end, no other brand will do. That's exactly what we're doing for the products in the picture and for lots more like them.

For more information about good food from Reckitt & Colman contact the public relations department, Carrow, Norwich NR1 2DD.

Reckitt & Colman

Bovril: restores Britain's reserves



RHM is planning for the economic upturn

Last year, Ranks Hovis McDougall paid over £200 million in wages and salaries, contributed nearly £12 million to the state in taxes and distributed £10 million to shareholders in dividends.

The money to do this was earned from the sale of our products worldwide. We make wholesome and interesting foods for family meals; catering products used in four-star hotels and hospital kitchens; products for other food companies to use as raw materials; and for farmers, feed, seed, fertilisers and crop sprays.

We achieved sales in 1980 of nearly £1½ billion against mounting competition in markets where value remains all-important. Yet in spite of the pressures, we are maintaining our quality standards, improving our efficiency, building new factories and looking to the future.

INVESTMENT PROGRAMME SUSTAINED

Some of the highlights of 1980 in the United Kingdom were a new £23 million industrial catering product factory at Reading, a factory at Glasgow for our pulse and lentil business, a £9½ million feed mill at Poole, mechanised warehouses in flour mills, two new plants to mill brown flour and innumerable modernisation projects at bakeries, mills and factories throughout the land. Amongst our acquisitions was a large mushroom farm in Sussex.

OVERSEAS SALES ADVANCE

More than 25 per cent of our 1980 profits came from overseas business, mainly in the USA and Australasia. In the USA we have half-a-dozen factories producing pasta, apple juice and peanut butter. Last year we acquired another pasta company in Seattle. In Indonesia we built a chicken processing plant to add to the string we operate from Singapore eastwards. In Australia we built a grape processing plant in the Barossa Valley in time to press 13,000 tonnes of grapes from the 1980 harvest.

WINDMILL BAKERY — and other newcomers

To capture the rising market for brown bread we launched a new national brand last autumn, Windmill Bakery, with a £1½ million television campaign. There are four varieties: wholemeal, granary, bran and country brown.

Other new products that were instantly popular—Hovis digestive biscuits, a further extension of our long-established Hovis brand name for wheatgerm-enriched products; McDougalls Saucy Sponges—five flavours of sponge pudding; and McDougalls Cracottes, a new type of baked wheat slice launched with a £1 million promotion.

The Sharwoods range of Indian foods was enlarged and we have just launched a range of nearly fifty Chinese foods under the Sharwoods name.

SOME NEW DIRECTIONS

— a factory in N. Ireland to increase our cheese-making capacity and to be the base for a joint venture with an American cheese company to sell processed cheese to fast-food outlets throughout the EEC.

— a commercial fish farm in Yorkshire to use warm water from power stations to fatten eels for export to northern Europe.

— at our computer centre in Harlow, an extension of our computing services to external clients by the installation of computer graphics facilities.

— and one more step along a long development road, official clearance for use in human food products of mycoprotein, our unique protein from starch.

THE FUTURE

The world economic climate has accelerated our assessment of the potential of our traditional markets and our exploration of new markets.

Our aims are to maintain our forefront position as providers of food to millions, as providers of stable employment, and as providers of acceptable returns to investors.

READ THE BOOK

— and get the full picture

The Secretary,
Ranks Hovis McDougall Limited,
King Edward House, P.O. Box 178,
King Edward Court, Windsor, Berks
SL4 1TJ. Telephone: 07535 57129.
Please send me the 1980 Report and Accounts.

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RHM 888 RANKS HOVIS McDUGALL LIMITED

Authors: Price, Hovis, Windmill Bakery; Mr. Kipling, Record pasta, Black Diamond cheese, Bisto, McDougalls products, Cerebos, Soya, Sifta, Emerge products, Faxe, Alora, Scotts potato, Chaswood products, Sharwoods products—these almost certainly an RHM product in your kitchen now.

FOOD INDUSTRY

Protein

Search to fill world's hungry mouths

If the population of the world increases as predicted, by the turn of the century the demand for protein will exceed 400 million tonnes a year. Just how the extra volume can be provided by the food and agricultural industries is a bit of a mystery.

Animal husbandry has its limitations. The meat-eating habits of the Western countries place an enormous strain on protein food supplies because cattle are inefficient converters of crops to protein.

Grain used for animal feedstuff would multiply the world's protein supply seven or eightfold if it was consumed as food. The development of fish farming will make only a tiny contribution to supplies of protein; indeed it will probably be too small even to replace the fish stocks being lost for a variety of reasons to the inshore and deep sea vessels.

The effort to maintain the protein supplies of the industrialized countries by intensifying cattle and poultry breeding and increasing fisheries begs the question of the imbalance between the rich and poor populations. Although enough protein is produced to sustain the present world population in theory, the prevalence of protein deficiencies seen as kwashiorkor in starving children shows a failure of distribution and storage of food supplies.

A policy of increasing protein resources solely from animals would make matters worse. Two broad lines of research and development are taking place in the industrialized countries to look for alternative supplies. One is aimed at

A pig which has been fed with ICI Pruteen.

creating novel sources of animal feedstuff from material which is not suitable for direct human consumption. The other is to bypass the animal by increasing the consumption of plant protein.

Ingenious methods of processing vegetable protein have, for example, produced the textured vegetable protein which can be dried and

reconstituted into a meat supplement or substitute. There has been an equally long programme of research into the development of supplies of single-cell protein.

Despite many costly setbacks, intensive work on single-cell protein continues. Single-cell protein is made by growing micro-organisms in a fermentation process in a vat of nutrients consisting, preferably, of waste and cheapness, of agricultural or urban wastes. (A microbial ICI, called Pruteen, is an animal feedstuff, and it

was grown first on a wax-like residue from oil refining more than 20 years ago.)

Experiments with medium-scale versions of the process, producing up to 100,000 tonnes a year of protein for making a supplement to animal feedstuffs, were abandoned. The idea was revived by ICI, which grows bacterial protein on methanol in the largest fermentation plant to be built. It came into operation last year.

The substance made by ICI, called Pruteen, is an animal feedstuff, and it represents the largest appli-

cation in the world of biotechnology. But the momentum is increasing in the United States, Russia, Japan, India and South America to use substances such as waste carbohydrates, molasses, or crops which will ferment readily—such as cassava—to make the nutrient for growing a micro-organism which has been biologically engineered to give a high yield of protein.

Pearce Wright
Science Editor

Nutrition

Theorists drive you to lentils

Sugar is pure, white—and deadly. Saturated fats give you heart disease. Carrots may help to prevent cancer. Too little fibre means cancer of the bowel, diverticulitis, and possibly heart disease again. Processed, convenience and frozen foods are all rather useful but are poisoning us all.

These are some of the views on food and nutrition with

which the public is bombarded. They are many and varied and at times contradictory.

Some are sufficiently horrifying to drive you to a diet of nuts and lentils—provided you can be sure the nuts are free of nasty little moulds called mycotoxins and that the lentils are guaranteed pesticide free—until boredom and the onset of vitamin deficiency disease drive you back.

Even the more conservative experts find themselves offering reasonably firm advice then having to modify it a few years later as the next set of research findings comes up. As was stated in a Department of Health and Social Security booklet, with considerable candour three years ago: "Nutrition is not an exact science".

The best, although scarcely inspiring, advice that the nutritionists seem able to offer is still the old motto of the British Nutrition Foundation, "Variety and moderation". With, these days, certain important riders.

At the most elementary level, nutrition in Britain is not much of a problem. Most people have more than enough to eat and about 30 per cent of the population are overweight, the most widespread nutritional problem is probably obesity.

This is not to say that under-nutrition does not exist even today. Early this century about 70 per cent of children in large industrial towns were affected by rickets, the bone-deforming condition caused by lack of sunlight and vitamin D.

That disease has almost disappeared among white children, but between 5 per cent and 10 per cent of Britain's 900,000 Asians, particularly strict vegans, are still estimated to suffer from the disease.

The elderly of all races remain susceptible to osteomalacia, the adult form of the disease, and sub-clinical scurvy from lack of vitamin C is still found among the old, particularly those with low incomes.

At another level Britain's current diet may be doing much harm. Although the epidemic of heart disease, particularly among men, may at last be reducing, diet almost certainly plays a part in its causation, although smoking and lack of exercise are also key factors.

There is still dispute about which fats in the diet are actually to blame, but there is now general agreement that most people would benefit from cutting their total fat intake, whether in the form of visible fats, such as cream, butter, margarine, meat and fried food, or invisible ones as in cakes, biscuits and puddings. More potatoes, bread, and vegetables would keep up the energy intake while adding more fibre to diet which may well reduce bowel disease and possibly heart disease too.

For those who are overweight there is little alternative to eating less and exercising more, but weight for weight bread, fresh fruit and vegetables are less fattening than fatty foods and more filling.

Given breads, particularly those with added fibre and bran, are becoming more popular. A Department of Health committee is expected soon to recommend changes in the strict regulations that cover bread manufacture to allow advantage to be taken of recent advances in technology that could make the

wider marketing of wholemeal bread easier.

With concern growing in the medical profession about the risks of raised blood pressure, some reduction in salt intake is probably also desirable. Salt is an important preservative, particularly in processed foods, but pressure on food manufacturers to offer low-salt products, at least as an alternative, is likely to grow in Britain as it has in the United States.

Food additives, preservatives and colourings remain a fraught subject, watched over by endless committees both in Britain and on the Continent. With the absolute safety of such substances difficult to demonstrate conclusively, and any risks they carry almost as hard to prove,

the best advice for the consumer is again to cling to variety, not eating too much of any one food, or type of food, whether canned, frozen, dehydrated or coloured, to the exclusion of others. There is some opposition to attempts to rationalize and reduce the number of these substances, except where risks can be demonstrated, on the ground that the wider the variety used the lower the intake of any one substance will be.

The revolution in frozen, dried, convenience and processed foods, particularly since the last war, has been viewed with suspicion, particularly by the health food addicts, but the evidence is that on balance they have added variety to the diet, encouraging people to eat a

wider range of food. The fact that frozen food in particular is fast-frozen fresh means its nutritional value is comparable to fresh food, and in the case of vegetables that have been transported to market, rested in the shop and then stored in the home before use, it may well be superior.

Despite the changes in foods available compared with 50 years ago, the advice still remains much the same—variety and moderation, with less fat, more fibre, less sugar and probably less salt, and more fruit and vegetables. As Dr Juliet Gray, the scientific director of the British Nutrition Foundation, says: "It sounds boring, but it happens to be right."

Nicholas Timmins

Additives

Artists in colour

The food technologist has become quite an artist in the past few years. With tinge of yellow here, or tincture of blue there, or a merest trace of some other dye, an anaemic-looking loaf is transformed to mimic the natural splendour of produce.

Colouring agents made from plant extracts or molecules synthesized in the laboratory are not the additives to foods. Hundreds of other compounds act as preservatives, stabilizers, flavourings, emulsifiers, thickeners, but few of them provoke the controversy which surrounds the regulations for monitoring the safety of colouring compounds.

The British kipper was threatened when bureaucrats in Brussels were advised of the substance BFK ("bro for kipper"), which gives kippers their distinct appearance, did not meet regulations. That storm cleared, but far more warning rules are being prepared by the EEC to harmonize the differences between nations over their colour preferences.

In principle the regulations are concerned with health and safety. Substances are divided into the categories: those which must not be banned; Community countries, the which may be permitted; and those which are prohibited. Each additive has to satisfy scientific committee in Brussels which examines it from toxicity tests.

Several colouring agents are expected to fall at the hurdle because tests will be done in time for substances to be registered. The cost of producing required information is more than £40,000 for each agent. The work after which nine of the main colouring matter have been approved for the Community count cost £1m.

A substance known yellow 2G, which had been general use in the United Kingdom, has been dropped because the amount demanded did not justify its price of safety trials. Brilliant blue FCF, which is great demand by most countries, has passed the scientific committee but is still being through the economic committees, who it has also to find approval. (That is where power forces can loom suddenly satisfy the anti-colour lot of a particular country. Arguments about other additives went as emotive those about colour.)

There are food colouring, which only the British and Dutch use, and there are processes which the Italian refuses to use because natural if pallid hue preferred to the artificial enhancement. Beauty is the eye of the consumer.

P.W.

Metal Box is now bringing to the British food industry the considerable benefits of the 2-piece can. The new techniques of Draw, Re-Draw and Draw and Wall Ironing dispense with side and bottom seams and give you cans with the greatest possible integrity. They also look better and they stack better, too.

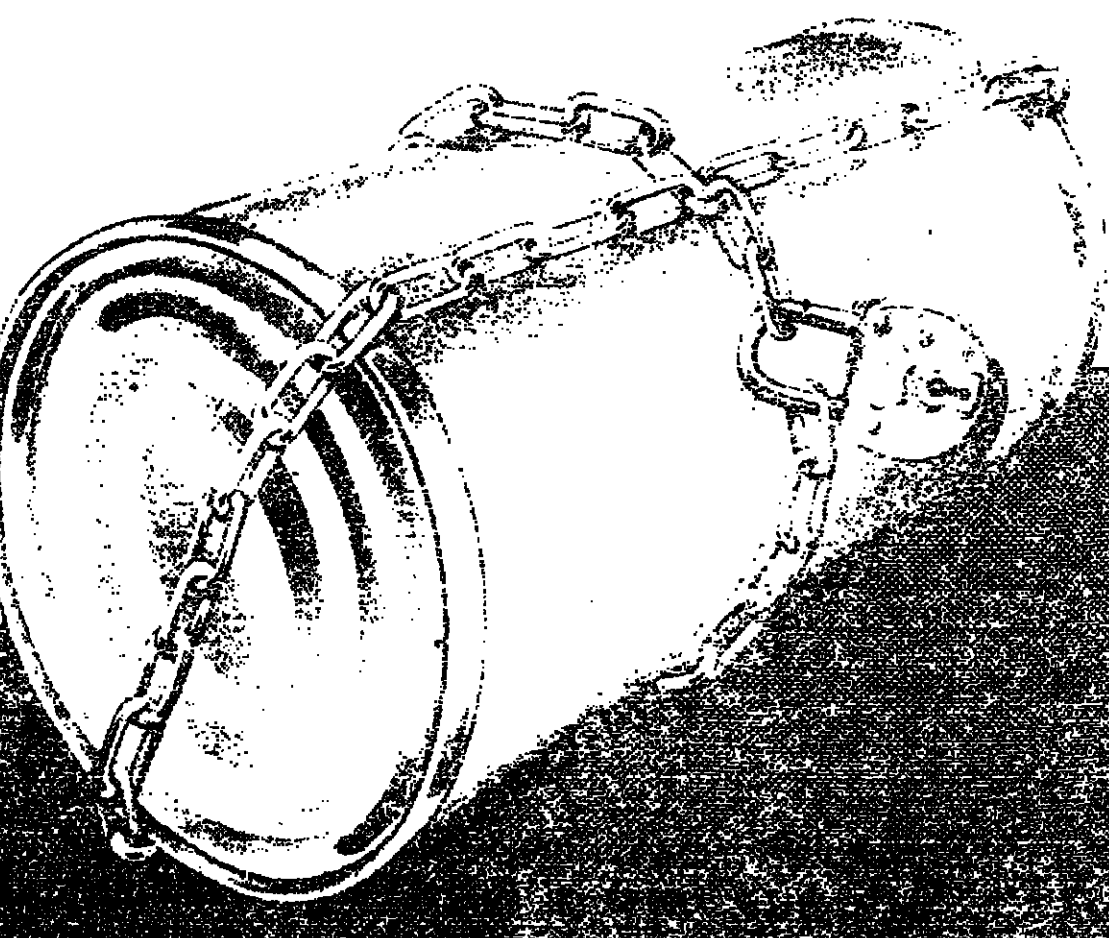
Our 2-piece cans use less raw material than 3-piece cans and help

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This and other new technology is just one aspect of Metal Box investment, commitment and service to the canned food industry. There's also the most varied product range in the U.K., a continuing R & D programme, research and information services, test bed facilities, the Canned Food Advisory Service...and more besides. Small wonder that Metal Box is the strongest name in British can-making.

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Cost pressures and slim profits make for big squeeze

Cost pressures cut deep on food manufacturers. At the same time, profit margins are dangerously slim. This leaves the industry like a sandwich filling that is being progressively squeezed — a description of the dilemma by Mr Barrie Williams, deputy director general of the Food Manufacturers Federation.

There are four main cost pressures. The proportion of costs to every £1 sale of manufactured food sold is 55p for raw materials, 15p for labour, 10p for packaging (glass and metal containers as well as 2p and 15p or more for energy).

The decline in world trade has tended to stabilize prices of raw materials and the strong pound is an advantage to buyers. Against that, food manufacturers have had to contend with problems posed by the European Community's Common Agricultural Policy (CAP).

This year's wage round is now going on and individual settlements so far indicate that the cost of labour will increase by between 7 and 8 per cent. Last year wages went up by about 16 per cent and in 1979 by 10 per cent.

The trade unions are pressing for a reduction in the 40-hour working week in the industry and the cost to companies would be substantial. In view of

the overall squeeze on the industry, a settlement on that issue at present seems unlikely. Some sectors still expect a certain amount of overtime to be worked but in others, such as canning, there has been much short-time working.

As well as cost problems, food manufacturers face shrinking net profit margins. These now stand at between 3 and 4 per cent, compared with the 5 to 7 per cent of the 1960s and early 1970s.

Cost pressures, together with the effects of the strong pound on export pricing, make the exporting route to increased volume more difficult. Exports account for only 5 per cent of manufactured foods at present, but the federation believes this could be boosted to 15 per cent or more if the industry were to concert its efforts.

In November 1980 the federation launched a five-year export initiative. Mr Peter Walker, Minister of Agriculture, said: "Throughout history Britain has been a food importer. Unlike our competitors we have not had the necessity to export food in order to live."

Exporting strategy will be among the issues explored at tomorrow's London conference, organized by the federation, on the theme "The big squeeze: food costs under pressure".

Packaging

The costs to the food manufacturers of various forms of packaging — from glass jars and metal cans to laminated bags and cardboard cartons, as well as corrugated cases — are proportionately at their lowest for two years or more.

This arises from two factors: overcapacity in a number of packaging sectors and the strength of sterling, which makes imports cheaper.

Overcapacity has tended to arise for two reasons. One is the drive for efficiency among packaging manufacturers, which has resulted in the commissioning of many new plants with higher volume outputs. The other is that many plants were brought into operation, or planned, before the oil crisis in the early 1970s affected world trade.

The domestic supply of metal cans was once dominated by Metal Box, but there is now increased competition from plants set up in the United Kingdom by the two big United States manufacturers, American Can and National Can.

There is more equilibrium between the supply of glass containers and the demand for them, but the fact that glass manufacture is a continuous process poses a problem, in that production runs ahead of demand in winter (when stocks are allowed to grow) and below it in summer (when the stocks act as the buffer).

If demand forecasts go awry it is easy for shortages to occur in a good summer that has led food manufacturers to turn, at first temporarily, to overseas suppliers. But — especially with sterling cheapening the cost of foreign products — the links with overseas suppliers have become firmer and overall competition has increased, thus tending to keep all glass container prices down.

Consequently, whereas two years ago glass manufacturers could fairly readily pass on to the food manufacturers any extra costs, greater effort now has to go into containing cost increases by improved efficiency.

Increased import competition because of the effect of the exchange rate has also restrained price increases in paper and board cartons and in flexible packaging such as multi-ply laminates — pouches for foods like dry soup mix.

Derek Harris
Commercial Editor



Research which has brought us the leafless pea and the pipless orange has now given us the soil-less glasshouse. These tomatoes have been grown in a solution in flowing water of the nutrients which occur naturally in soil. Here an operator peels back the rim of the plastic channel to reveal the submerged roots. One advantage over soil is that the rows of liquid-fed plants can be stacked on top of each other.

Raw materials

EEC protectionism over agricultural products, enshrined in the Common Agricultural Policy, can disproportionately affect the British food industry partly because of British eating habits.

The sort of bread Britons like can be made only with a high content of the so-called "hard" wheat from North America, which is subject to import levies to get into EEC countries. Hard wheat imports to bread the keeping qualities Britons have come to expect and to which the bread industry is geared.

Use of soft wheat from within the EEC makes sense only if Britons could be persuaded to prefer French-style bread, which quickly goes stale, and if much of the baking industry were restructured.

Hard wheat is one of the raw materials from which the Food Manufacturers Federation (FMF) would like to see import levies removed.

There are others important for the British food makers, such as maize and long-grain rice. The FMF has been particularly unhappy about the levies on long-grain rice, which is used as a vegetable dish, unlike the more usual round pudding rice.

Italy, the only sizable source of long-grain rice within the EEC, can supply only its own needs. But the writers of EEC import rules have so far refused to recognize the need for levy dispensation to import from outside the Community, declining to differentiate between the long-grain and round varieties.

Levies should be revised on dehydrated onions and on orange juice, the FMF be-

lieves. Natural honey, for which EEC production cannot cope with demand, should have tariffs either removed or substantially reduced, the FMF claims.

When food mountains build up, the food manufacturers would like to see the problem dealt with by normal market forces rather than by prices being artificially kept at higher levels. Half the raw materials used by British food manufacturers are governed by the CAP, under which price support can be given.

There is the hope, faint as it may be, that some of these problems might be tackled now that the implications for the CAP of the accession of Greece, to be followed by Spain and Portugal, have to be assessed.

The entry of these countries could help the British food manufacturers because the enlarged EEC should be more self-sufficient in a range of raw materials to which there would be easier access.

A problem arising out of selective EEC aid is the help given to tomato growers and in turn the tomato concentrate processors in Italy. As a result, the FMF claims, Italian ketchup makers, who in 1978 had less than a 1 per cent share of the United Kingdom ketchup market, now have a market share of about 8 per cent.

Longer term, there remains the possibility that moves towards harmonization within the EEC might lead to the imposition in Britain of value-added tax on all main foods. (So far only ice cream, snack foods and foods such as chocolate-covered biscuits are taxed.) Such a gearing up of food

prices would inevitably — and perhaps intolerably for some — increase pressures on food manufacturers to check price rises by cutting their slim margins even more.

Energy

Immediate energy costs faced by food manufacturers within their own factory operations are, compared with some industries, fairly small as a proportion of total costs; they amount to between 2 and 5 per cent.

But there is an energy cost element in, say, the can that the food manufacturer buys to package cooked beans. The food makers contend that this should be counted as part of this energy bill. On that basis, fuel accounts for anything between 8 and 26 per cent of total costs.

But more direct energy costs are high for some manufacturers. Those who dehydrate vegetables find that energy accounts for between 10 and 15 per cent of their total costs. For tomato-growers with green-

houses to maintain, the proportion of direct costs rises to as much as 48 per cent. With energy tariffs in 1980 up between 35 and 40 per cent, food manufacturers say that the overall costs for the industry have in consequence risen between 4 and 13 per cent. That is why they joined in a widespread industrial campaign to obtain energy prices more comparable with those in some competitor countries in Europe.

One way of reducing energy costs may be to switch to coal-burning, particularly from oil-burning — where boilers can be more readily adapted. Among sev-

eral experimental installations that use coal — the present cost of which is about 25p a therm, compared with the 25p to 32p of gas and oil and the 100p of electricity — is a fluidized-bed boiler at tomato growing nurseries operated by the Co-operative Wholesale Society near Hereford. This installation, as flexible as an oil-burner, has been sufficiently successful for the installation of a further one to have been planned. Many forms of conservation are being developed. Four-stage instead of three-stage evaporators are making the production of dried and condensed milk more energy-efficient.

By applying the principles of the heat pump, heat used in milk pasteurization which has hitherto been lost in the cooling water can be reclaimed. In canning, the use of continuous retorting processes can reduce by three times the amount of energy consumed in cooking in the atmosphere.

The problem with such energy conservation systems is invariably that they entail a greater capital cost in equipment. Mr David Hoskin, chairman of the Food Manufacturers Federation Energy Committee — he is also, as group general manager for supplies and services, in overall charge of energy conservation for the Co-operative Wholesale Society — commented: "In the low-profit-margin food industry there has to be considerable incentive to adopt these systems, and I believe there is a case for some form of assistance to get more of them into operation."

Brussels a source of frustration

continued from page 1

farmers. The price levels decided by ministers in Brussels at the end of each spring help to determine the costs of grocery ingredients. In one sense the impact of the policy is even greater on processors than on farmers.

The policy operates through prices for the produce of farms in the Community which are strengthened by tariff barriers against undercutting from competition from outside the Community. The farmer is concerned only with the price of his sugarbeet. So long as he is not undercut by cane, which cannot be grown in most of Europe, he does not mind what happens in the cane market.

For many food manufacturing operations, it does not matter whether the sugar ingredient is derived from

beet or cane. In a few cases cane is preferable to beet, served by one supplier, in the collective form of the EEC farmer.

That is why they campaign for supplies to be allowed from outside the Community of such raw materials as sugar, beef, butter and other fats. They feel condemned to a role of trying to influence events in retrospect. They are given a negotiating position in the Brussels hierarchy, and they have allies in the Commission who feel that the influence of the agricultural lobby is excessive.

But the system remains one of fixing prices for farmers, and everything else in the economics of food in the European Community stems from that. Food manufacturers have managed in recent years to increase their influence over the agricultural policy, but they have

failed completely to change the nature of the policy. The frustration of the food processing industry does not end in Brussels. For years its leaders have written to successive Chancellors asking for the removal of value-added tax on the small group of foods which attracts the standard rate. Those foods, which include crisps and chocolate biscuits, were once saddled with purchase tax because they were considered to be luxuries.

It was considered inappropriate to exempt from purchase tax foods which were not necessities. When purchase tax gave way to VAT those foods remained taxed. The industry argued vainly that it was ludicrous to tax a cheap packet of crisps while allowing caviare to be sold tax-free.

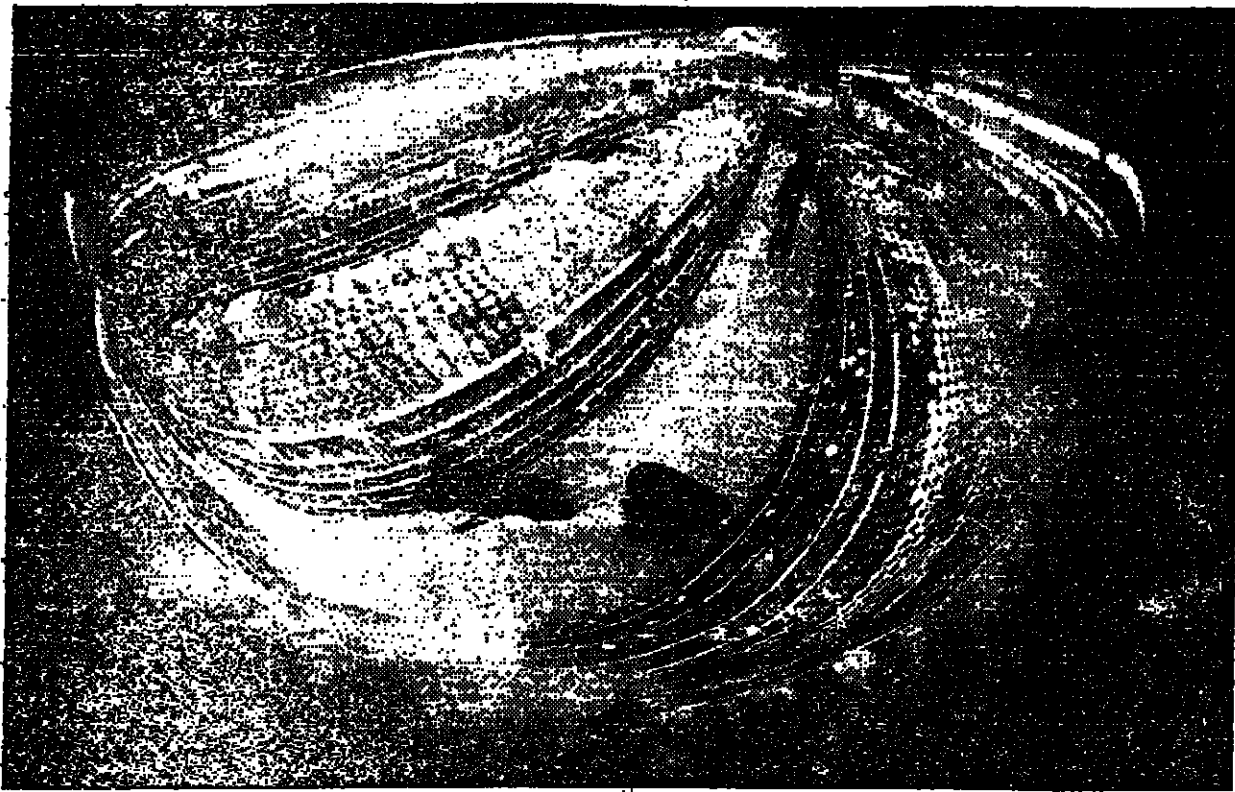
Hugh Clayton

A glass and a half, with you know who.



Groceries

Retailers survive recession better than manufacturers



Photograph: Michael Abrahamson

The High Street war began in the late 1970s because shoppers were reducing the proportion of their income that they spent on food. Supermarket chains, led by Tesco, decided that extensive price-cuts were needed to stimulate what is known in the trade as "customer traffic".

The war was fought on two fronts. The supermarket chains were doing battle with the manufacturers who supply them as well as with each other. Company results have shown in the past few months that the grocers have been more successful than the manufacturers at insulating themselves from falling demand.

The manufacturers have produced a succession of layoffs, factory closures and profit cuts in recent months. The food retail trade has fared much better. J. Sainsbury, which enjoyed a spectacular increase in profits in 1980, must rank as one of the most successful of all food businesses in Britain.

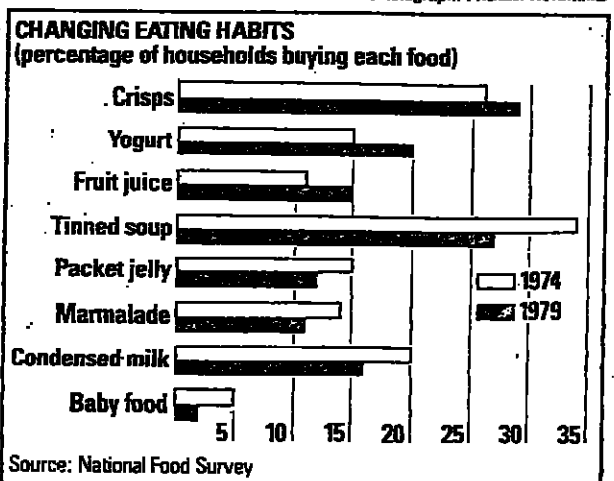
Sainsbury has been less tempted than other food retailing companies to diversify into paperbacks, tape recorders and lawnmowers. Unlike large companies in the food industry Sainsbury is not part of a large multinational empire with interests in many markets on

several continents. Sainsbury lives or dies on its ability as a food retailing group in Britain.

The leading food manufacturers sprawl far more widely than the large grocery chains. The most successful supermarket chains like Sainsbury and Tesco are committed to retailing more than anything else. Some of the chains which they have overtaken in recent years are, like food manufacturing companies, parts of much larger combines with interests elsewhere.

Concentration in the grocery trade has been just as extensive as in food manufacturing, but less obvious. Anyone who buys a frozen chicken leg or a wrapped loaf knows that it comes from a factory rather than a farmyard or a cottage bakery. Customers of the largest retail chains do not yet appreciate the power of their owners to dictate terms to their suppliers.

Four out of every 10 grocer's shops in Britain closed in the 1970s. By the end of the decade supermarkets took almost 60p in every pound spent by consumers on groceries, compared with 44p at the beginning. Five chains, including Sainsbury and Tesco, together account



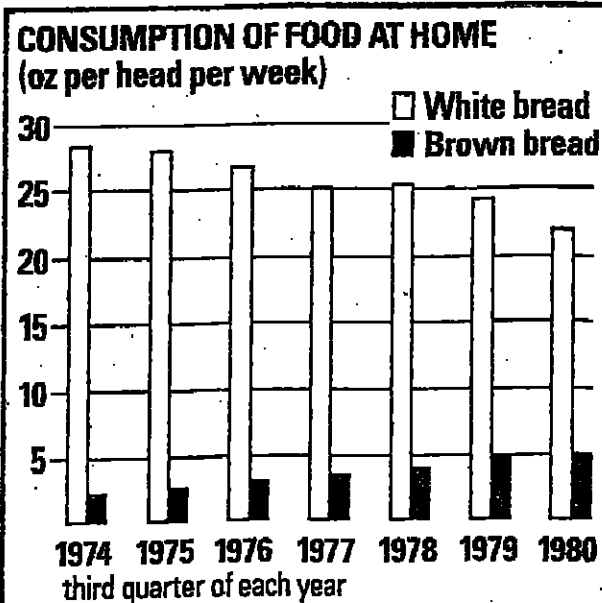
for more than a third of all retail trade in dry groceries in Britain.

The concentration of the trade meant that in 1979 there were 255 key buying points accounting for 81 per cent of national grocery turnover, compared with 344 points and 75 per cent in 1975. The implications of these figures for food manufacturers are awesome.

Companies are played off against each other in what has become a buyer's market first for grocers and now for

shoppers. The power of grocers to dictate terms extends well beyond prices. Salesmen working for manufacturers find that to win an order from a supermarket buyer they must not just deliver their wares, but display them on the shelves as well.

Manufacturers complain that their sales forces are being used to save labour costs in supermarkets. But they know that they cannot afford to refuse to supply a large chain, which may have



hundreds of shops scattered across much of the country. Brand loyalty has been weakened in the frantic price-cutting of recent years. The main message from the supermarket trade to its customers has been that the most important thing about food is its price. That has made it more difficult than ever for manufacturers to establish any sense of brand value in the minds of shoppers.

Mr Peter Firmston-Williams, managing director of the Asda chain of supermarkets, said in February that the growth of own-label goods was eroding the strength of brands. Such goods are those sold under a supermarket name rather than that of its manufacturer's brand.

Own-label goods are almost always sold more cheaply than the branded equivalent. Key Markets tinned soup is thus cheaper than Heinz tinned soup. Such goods allow grocers and their customers to sell and buy the same amount of food for less. The loser is the manufacturer, who must still

buy the same quantity of ingredients.

Ten years ago own-label goods were clearly perceived as cheap alternatives to goods that carried well-known brand names. Shoppers realized that the own-label goods would be of lower quality. The test would be like gunpowder, the sauce more watery and fish fingers smaller.

There are now signs from market research that the division between the two classes of grocery is not so clearly by shoppers. The cut-price own-label product is seen not as a cheap and sometimes nasty alternative, but something as desirable as a product which carries a well-known brand name.

The implications for manufacturers are grim. If their brand names lose appeal in the eyes of shoppers, there will be even less incentive for a grocer to order one brand rather than another. The power of the grocer over the manufacturer who supplies him will be even greater.

Hugh Clayton

The future

A new smash hit needed

The aim of marketing experts in the food industry is to discover the next fish finger. The term is imprecise: the experts do not really mean fish finger, although it is intriguing to speculate about replacing the present yellow oblong with, say, a green cylinder.

When the industry talks about the next fish finger it is thinking about something as yet undiscovered that will exert the same enduring hypnotic power as its predecessor did, over many of the families of Britain. The food market is thought to be ripe for a new smash hit, greater than custard powder, mightier than instant mash and more stupendous even than soft margarine.

The fish finger reached Britain from the United States it was seen as a curiosity. Sceptics felt that frozen foods were unlikely to make much headway because of the expense of innovation needed to preserve them in shops and homes. Now that more than 25 years have passed, it is clear that the fish finger is one of the most important grocery innovations of the postwar years. Rivals made from bacon and chicken have failed to shake its supremacy.

One of the strongest candidates for the role of the fish finger is the frozen pizza. This disc of dough, with its bright red savoury spread, has claimed the loyalty of many who know little and probably care nothing about the origin of the dish. It has a combination of attributes which mark a modern grocery success.

It is easy to devise something that is cheap to make and durable enough to survive the journey from factory to table, and fairly simple, too, to concoct a product with sufficient novelty and variety to make it more enticing than such traditional staples as tinned beefroot and prunes. Only rarely, however, can all the attributes be brought together under one wrapper. It has happened with pizza, which explains why, in the depths of the recession, one large frozen food company has chosen to spend £1,500,000 on a computerized pizza factory. It has been built, perhaps appropriately, in an old fish-processing plant.

The seers of the food industry want to look beyond the immediate future. They already know that in the next few years a greater proportion of meals will be eaten outside homes, and

that more fresh food than ever will be sold in supermarkets. They do not need to be told that the future looks brighter for pizza and instant noodles than for tinned rabbit and processed milk puddings.

They are looking forward to the end of the century, when many homes will probably be so minute that while there will doubtless be room to eat and sleep, there may not be enough to store and prepare food. There will be a small but secure place for expensive prepared meals with higher profit margins than most other groceries. Some householders will gladly pay restaurant prices for the chance to entertain at home by microwaving their packed portions or by boiling them in the bag. Space-saving will probably become as important in what marketing men call the "in-home situation" as money-saving has been in recent years.



Frozen food, with its demand for bulky and expensive storage equipment, will be vulnerable to successful new developments. Food packed in tins and cardboard boxes will be vulnerable because it will appear antiquated and dull if it retains many of its present guises.

Food-freezing will probably turn out to have been the most important development in the mass grocery market in the second half of the twentieth century. It will not survive on its present scale if someone invents a process that offers food with the good flavour of frozen produce and the low price and minimal storage demands of a tin. It may exist already in the form of the retort pouch, an unattractively named container that combines much of the fla-

vor of frozen food with simplicity of a tin, but without its weight. The retort pouch can be found as covering on some continental sausages and as a covering for some dishes that are cooked by boiling and that can be stored room temperature. The drawbacks of the pouch today are its slowness and high cost.

One obstacle to new development is that people often rather offhand about their food. They regard it as a necessity to be gulped down and forgotten, so it creates the briefest possible interruption in a life. Food processors realize that one of their greatest challenges is to make food interesting, so that eating is treated by families as recreation and not as chore.

The growth of supermarket in the 1960s and 1970s, based on telling consumers as often and as loudly possible that the most important thing about food is its price. Supermarket barons no longer want stores to be warehouses which the monotony of displays is relieved only by placards proclaiming "Cheap", "Bargain", "Save".

The modern supermarket has helped to supersede the traditional street of shops, now tries to bury the appearance of such street. Bread is no longer row of wrapped loaves, but produced in a number varieties, with some care an "in-store" bakery. Mee not a static display of Cellophane-wrapped cuts, but prepared by staff in strip aprons visibly sawing chopping in the background.

These departures from custom are part of a campaign to make food interesting and attractive and persuade shoppers, cheapness and speed are necessarily the most important characteristics of mass food. The size of the task is illustrated by a recent survey of take-away meal shops. American origin, which stated: "Use of these types of outlets is seen as a convenience, rather than occasion. Customers felt they offered good value for money, a fast service and were clean and hygienic. However, only half of the patrons believed that food was nourishing."

H.4

MEVITIES

Bake a better biscuit.



COMING UP AGAINST REALITY

Any new American Administration must be allowed a period of grace in which to get organized. The structure of the American system makes a smooth entry into power almost impossible. Whereas a new British government takes over—or is taken over by—a smoothly running professional Civil Service the new American President has several thousand jobs to fill and a huge number of followers jostling to take them. He has to re-create from scratch, as well as deciding the policies it is to pursue.

President Reagan is having a particularly rough start for two main reasons, one institutional and the other political. His institutional problem is to end the corrosive and distracting rivalry between the State Department and the National Security Council which has dogged so many previous Administrations. Ever since the days of President Kennedy foreign policy has been shifting to the White House where the NSC has the advantage of being physically near the President and under his direct patronage and control.

The shift made some sense in so far as the NSC is well placed to bring together all the different departmental interests which are now involved in foreign policy but it was taken to extremes by President Nixon, who suffered from an obsessive distrust of established bureaucracy and found in Dr Kissinger the ideal partner in circumventing it, even as Secretary of State. President Carter tried to redress the balance but was never able to settle the policy differences between the two bodies, and he left the NSC in the hands of a particularly assertive and unbridled man.

President Reagan rightly decided to shift the balance back in favour to the State Department where he hoped to find the professionalism necessary for a coherent foreign policy.

RONALD BIGGS IS NOT ROBIN HOOD

It is hard luck on Mr Ronald Biggs to be spirited away from his haven in Brazil to find himself the subject of extradition proceedings in Barbados. But he does not deserve the sympathy he appears to be getting from the British public. Even if the thirty years' prison sentence imposed on him was excessive, warranted neither by the offence nor by his part in the conspiracy, he was nevertheless implicated in a serious crime which involved the use of violence and resulted in serious injury to the train driver, and possibly to his premature death. The picaresque romanticism which fugitives from justice naturally excite should not be allowed to disguise the meanness of Mr Biggs's crime. He is no Robin Hood. Since his escape, he has managed to live a comfortable, though not luxurious, existence, profiting from his notoriety.

He has had his fair share of good fortune, and we should not feel too sorry for him if it has come to an end, though the possibility that he will find some way of escaping British justice yet gain should not be discounted.

David Wood

The sources of political information

My colleague Fred Emery touched critically in his Saturday column on the secrecy that surrounds much of the political news-gathering in Westminster and at Whitehall and suggested that the public, as well as exporters, would be better served by an open system. His main complaint was aimed at the Lobby rule in practice it extends to all reporters, not only in Britain) of non-attributability. That is to say giving political information on the understanding that the source shall not be stated, according to the venerable principle of no names, no pack drill.

In recent years some members of the Westminster Lobby have been increasingly restive under the workings of the rule, largely because ministers have namelessly passed on confidences at Lobby meetings to other reporters and then immediately arranged to say the same thing in person on the next television bulletin. Few ministers or shadow ministers can resist either an audience of millions or the opportunity of speaking directly for themselves rather than risk the distortion, real or imagined, of a newspaper report over which they have no control.

Sir Francis Boyd of *The Guardian* once mounted the first campaign within the Lobby to end the non-attributable rule and what he saw as the growing supremacy of broadcasting.

Significantly, one or two recent Prime Ministers have also wanted in occasion to escape from the rule. Both Sir Harold Wilson and Mr Heath, or their advisors, at various times considered resort to a "back channel" of cameras and microphones, they could make statements and bat against the howling of questioners from Fleet

He chose Mr Haig as a strong and well-known figure to head it, and gave the NSC to Mr Richard Allen, a man of political much lower rank who was apparently ready to play a less conspicuous role than his predecessor. Mr Haig grasped the opportunity with both hands and seemed set to become, as he himself described it, the President's "voice" in foreign policy.

He is now finding that things are not so simple, and he came near to resigning over the appointment of Mr Bush, the President's head of the NSC's crisis-management operation. Not that Mr Haig would necessarily have expected the job himself but the way in which it was announced, and the lack of consultation, made it clear that opposition to Mr Haig is increasing. In the eyes of the White House he has over-reached himself and is now being taught a lesson.

Although the opposition this time comes not from the NSC but from the President's own entourage, headed by Mr Meese, it obviously raises fears that relations between the State Department and the White House are going to be as messy under Mr Reagan as under his predecessor, especially as there has already been a confusion of signals emanating from different parts of the Administration.

He came to office with a very simple view of the world as being largely explicable in terms of rivalry between the United States and the Soviet Union. He also believed, on the basis of opinion polls, that the public had recovered from defeat in Vietnam, was "tired of being pushed around" and was ready for more assertive policies. His main priority in foreign policy was therefore to build up the military strength of the country and show that he was ready to use it.

The impression of incoherence now emanating from Washington

There is, however, one troubling aspect of the saga which should be considered seriously. The circumstances leading up to his present predicament are not entirely clear, and it is possible that a caper which started off as a publicity stunt turned to Mr Biggs's disadvantage when his captors decided to take him to Barbados. On the assumption, however, that the abduction was genuine, with no element of collusion by Mr Biggs, his presence in Barbados was the result of an illegal act of international banditry. Should we, for that reason, decline to ask for his extradition?

If that is to be answered affirmatively, it should not be because of some misplaced sense of sportsmanship or fair play. It is no principle of international law, or of the relations between states, that we should decline to take advantage of Mr Biggs's fortuitous presence in a country from which he can be extradited. Would we, however, be condoning and encouraging the kind of criminal act that brought Mr Biggs to Barbados? The abduction of Mr Biggs itself may not

Street (as they do during election campaigns). Not only the Lobby but other specialist reporters were to have been present.

The motive here, of course, may partly have been to protect prime ministers from the "misrepresentation" of reporting at second hand in somebody else's words. At the time most members of the Westminster Lobby did not take kindly to the proposed propaganda by or public accountability of prime ministers; and there was probably some reason to detect in it the risk of circumventing Parliament and moving towards corporatism.

Historically, the origin of the Westminster Lobby practice of non-attributability, without an express agreement to use names, is easily understood. Not long before the turn of the century the first Lobby members were warily allowed into the Chamber. There were very few of them. They had to obey rules for subfusc dress (top hats compulsory) for no notetaking, no undue rapid movement, no sitting down except on two particular small benches.

Above all, they were required to have eyes to see and ears to hear only what was intended for them. They were guests on probation in a gentlemen's club that was not teetotal.

The first generation of Lobby members reckoned themselves chosen people, and were as keen to guard their rules as MPs were to enforce them. By their biddability as well as their reporting skills, they became the acceptable face of Fleet Street at Westminster. Today the Lobby is not platoon but company strength, and Lobby meetings are mass rallies, with all provincial and evening papers, as well as television, radio and weekly journals, abundantly represented. Because of its size, he would be a rash minister or Opposition front benchman who entrusted confidences involving his political future to it, and so the whole thing does not. Nor do Whitehall spokesmen.

Yet we are not speaking only of the Lobby rules, some self-imposed and others imposed from outside. Nor are we speaking only of the Official Secrets Acts and their awesome sway. We also have to take account—ministers and their spokesmen do—of the rules that Parlia-

Civil Service aims for new pact

From the Secretary General of the Council of Civil Service Unions

Sir, Lord Houghton (March 24) asks if the leaders of the Civil Service unions will explore his suggestion that the House of Commons Select Committee on the Treasury and Civil Service should consider the current Civil Service pay dispute.

There are two major considerations to bear in mind. The select committee cannot speak for the Government and any investigation is bound to take a considerable time. The Council of Civil Service Unions has always been, and remains, anxious to negotiate on the 1981 review and to go to arbitration if the Government is not prepared to reach agreement on a new and orderly system for the future, which would be fair to the community and to the service and which would avoid a repetition of this dispute.

We will also respond positively to any attempt to bring the two sides together, but we do not see how the select committee could fulfil such a role, or play a part in producing the quick solution which every sensible person wants to achieve. Unhappily, the Government's inactivity indicates neither concern nor urgency.

Yours faithfully,
W. L. KENDALL, Secretary General,
Council of Civil Service Unions,
19 Rochester Row, SW1.
March 27.

From Mr W. Wright

Sir, Your columns have been used to accuse us of disloyalty—one eminent correspondent even suggested that treachery was afoot. These allegations wholly offensive. They have given and will continue to give loyal service in the Ministry of Defence. But not at any price.

Since the Government assumed office, the civilian staff of the Navy has been reduced by some 14,000. Hundreds of our members are being made redundant within the next few weeks in order to meet the "cash limit" imposed by the Prime Minister's statement on the size of the Civil Service in 1984 a further 40,000 posts must be eliminated. These are jobs, many of which represent career prospects that will never be replaced.

At the same time we have seen the pay of the Services being increased well in excess of the pay of comparable civilians in the Ministry. The Government, despite representation to the Secretary of State for Defence and his predecessors, has consistently refused to recognize that defence is essentially an amalgam of service and civilian effort. The "teeth" and the "tail" are equally necessary to the "mission".

Accustomed as we are to being kicked in the "tail" we react when we are kicked in the "teeth" and that is why loyal civilians in the Ministry find themselves having to take industrial action. Measured against proven scandals in the world of industry, the allegations of disloyalty and treachery pale into insignificance.

Yours faithfully,
W. WRIGHT, Trade Union Side Chairman,
Ministry of Defence Council of Civil Service Unions,
Old War Office Building,
Whitehall, SW1.
March 25.

Survival in nuclear war

From Professor W. F. Nash and others

Sir, Over the past few months there has appeared a range of statements in the media on the possible effects of a nuclear war. The position of this country leading to conclusions that home defence will be ineffective and even undesirable. While in no way wishing to support the concept that nuclear war is a justifiable option, we do feel that the effects of such an attack could be devastating, we do feel that the complete sense of hopelessness which is engendered by these statements should not be allowed to go unchallenged.

Some of these statements even imply that those involved in considering how to protect people in the event of such an attack are themselves subject to the probability of a nuclear war and to condition the public to accept it; this implication we reject entirely. It is our firm view that, as long as nuclear weapons exist in the form they do today, a comprehensive strategy to make such plans as are feasible to mitigate the effects of such a calamity should occur.

It is by no means certain that the United Kingdom would be subject to a saturation attack; many possibilities, arising from limited attacks on specific targets, accidental attacks and the possibility of fallout from continental weapons, exist. In every case there would be survivors in need of help and lives could be saved by having made appropriate home defence preparations.

In a nuclear attack there are two distinct aspects to consider. Firstly, at the time of explosion, damage and casualties are caused by heat and blast and further harm to living things is caused by radiation. The heat and blast effects are of much greater magnitude than those produced by conventional high explosive weapons, but the temperatures and pressure levels which result from a nuclear explosion are well understood, physical phenomena and their effects on humans, animals, plants and structures can be predicted with some degree of confidence.

The new phenomenon produced by a nuclear weapon is that of fallout, especially from the fall-out of radioactive products produced at the time of explosion. The effects of radiation at the anticipated levels of intensity are twofold: deaths would occur over periods of days or weeks from heavy irradiation and there would be longer term risks of cancer among the survivors which would be manifest in an increased cancer incidence after long periods of up to perhaps 20 years. There is, how-

Call for progress on Bill of Rights

From Mr Geoffrey Rippon, QC, MP for Hexham (Conservative)

Sir, The time has come for Parliament to reassess its traditional function as the protector of the rights of individuals against the arbitrary acts of the Executive. Increasingly we have exchanged the protection of the rule of law—the guarantee of individual rights under the law by independent courts—for a complex system of administrative law that is changed from day to day, and even retrospectively by a Parliament that has become the passive tool of government.

We may increasingly envy the protection given to individual rights by the United States Supreme Court which can override unconstitutional executive action. This is why I welcomed the undertaking in the Conservative Party election manifesto that a Conservative Government would wish to discuss a possible Bill of Rights with all parties. No doubt the drafting of any form of written constitution, particularly one which seeks to entrench its provisions, raises formidable problems. There is, however, one step that can and should be taken immediately to restrain the abuse of power. Twice the Bill of Rights Bill, which is intended to render the provisions of the European Convention for the Protection of Human Rights enforceable in the courts of the United Kingdom, has been promoted in the House of Lords by the Liberal peer, Lord Wade, and carried through all its stages with support from members of all parties.

The Government should respond to the early-day motion signed by over 150 MPs and provide time at an early date for a second reading of this Bill in the House of Commons. A debate on this Bill should take place with the same free vote that the Government advocated in the House of Lords. Such a Bill was recommended by a powerful committee of the Society of Conservative

Victim of circumstance

From the Principal of Newnham College, Cambridge

Sir, Mr Chapman Pincher alleges in his book, *Theirs Trade is Treachery*, that my late brother-in-law, Bernard Flood, along with numerous other Labour members of Parliament the refers incredibly to "more than 60 Labour MPs and a score or so of Labour peers" was suspected by the security authorities of being at least a secret member of the Communist Party and at worst in touch with Soviet intelligence.

A tendentious reference to his suicide in 1967, coupled with the statement that he was being questioned by MI5 about his past political beliefs and activities, invites the improbable conclusion that he must indeed have been guilty of treachery.

I think it should be made clear for the sake of his reputation and the feelings of his children and other close relatives like myself that this cruel gloss on his tragic death is entirely gratuitous. The trauma of bereavement is explanation enough.

Bernard Flood's wife, Ailsa, died in January, 1967, after many years of intermittent illness and the violent grief and the suicidal despair of this normally robust man shocked and frightened us all. In March he agreed to undergo psychiatric treatment but made only slow and fitful progress. In June he suffered a relapse and talked again of suicide.

A holiday abroad in August gave him strength to fulfil a number of engagements in his constituency dur-

ing September when the House was in recess and the urging of his doctor he decided to end his sick leave. He put in a first day's work at his Granada office on October 9 at the end of which he declared himself unable to go on. He took his life in the early hours of October 10.

Yours faithfully,
JEAN FLOOD,
The Principal's Lodge,
Newnham Walk, Cambridge.
March 27.

From Mr T. A. Reynolds

Sir, In the long term, perhaps the most disturbing factor in the current speculation about MI5 is that the habit of working late in the evening can be seriously cited as evidence of treason.

Yours faithfully,
THOMAS A. REYNOLDS,
5 Queensdale Walk, W11.

Way ahead in Ulster

From Mr John D. Taylor, MEP for Northern Ireland (Ulster Unionist)

Sir, Mr Julian Amery, MP, confirms what I have long believed to be one common political objective of all four main political parties in Northern Ireland is a devolved government. Regrettably he then repeats a fallacy which has destroyed every previous government's initiative in the area of devolution: that a prerequisite is that not only should all parties be agreed upon the principle, but they should also agree the detailed structure.

During the Scottish devolution debate no one requested the Conservative Nationalists to agree the details of Scottish devolution before the Government presented the devolution Bill to Parliament. If inter-party agreement was not possible in Scotland then it is even more impossible in Ulster and should not be seriously suggested.

I agree with Julian Amery that Ulster should have fair representation in Parliament and democracy in local government services. We need a Government that can delay in these two matters, but let it be remembered that neither of these is an alternative to devolution, which remains the prime objective of the Ulster Unionist party. The way ahead for Ulster is for the Government, having consulted with the Ulster political parties, to present its proposal for Ulster devolution to Parliament in the knowledge that its majority support in Ulster for the details will not be forthcoming and should never be expected.

Yours etc.
JOHN D. TAYLOR,
Ulster Unionist Party,
3 Glengall Street,
Belfast 12.

Equality without fraternity

From Sir Ronald Bell, QC, MP for Beaconsfield (Conservative)

Sir, The letter from Mrs Joanna Bogle and others (March 25) expressed the views of normal women about the Equal Opportunities Commission. The views of normal women, I believe, are identical. Being one who has opposed "unisex" legislation at every opportunity, I have taken particular note of the attitudes to the EOC expressed at meetings and in letters. They have been uniformly hostile.

During the second reading debate on the Sex Discrimination Bill I said that we were making fools of ourselves. We were: most members thought so; and yet we did it. Why? Because members thought that this was progress, the irresistible trend of the times, and also that opposition to it would be misunderstood—the classic excuse for not doing as one thinks! As one influential lady (who was opposed to the Bill) said to me: "But we can't vote against it, can we?"

A Labour member said to me in a place where there was no danger of feminine eavesdroppers: "Of course, you are absolutely right—but I have a lot of women in my constituency!" I doubt whether the proportion of the sexes was abnormal in his constituency, and he certainly misconstrued the general opinion of women. But that is how we came to have this unwieldy Act, and this foolish and expensive commission whose absurdities have been universally mocked from its inception, but still continue.

There is no hope of a government Bill to relieve of this folly, nor of a private member's Bill succeeding. And there is almost certainly some Common Market rule supporting it. We live in the age of the pressure group. Mrs Bogle and her friends are, therefore, to be warmly congratulated on forming their own pressure group. It is our only hope of deliverance from subsidized idiocy.

I have the honour to be, Sir, Your obedient servant,
RONALD M. BELL,
House of Commons.
March 26.

From Lady Trumpington

Sir, Mrs Joanna Bogle (March 25) places great emphasis on those aspects of the Equal Opportunities Commission's work which involve promoting equality of opportunity for women. Equality also means equality for men, which is more than good ladies' portlier.

An United Nations delegate to the United Nations' Status of Women Commission I have found the prestige of the EOC a trump card to play at women's meetings abroad. Women in other countries envy our Equal Opportunities Commission and in many cases are establishing similar bodies themselves.

Yours faithfully,
TRUMPINGTON,
House of Lords.
March 26.

From Miss Irma Kurtz

Sir, Nature created endearing differences between the sexes but mankind made inequities. Surely it is the duty of a democracy to correct inequities and to offer equal opportunities to every free citizen, and surely this is the aim of the EOC. Mrs Bogle's "cult of unisex", a phrase I cannot for the life of me trace or understand.

Yours sincerely,
IRMA KURTZ,
26 Ellingham Road, W12.

Experience of judges

From Sir Denis Dobson, QC

Sir, In your leading article yesterday (March 23) on what you described as an unjustified judicial monopoly you state that "barristers are often appointed to the (High Court) bench with little advocacy experience". From my own experience over 30 years in the Lord Chancellor's Department and as Permanent Secretary from 1968 to 1977 I can assure you that this is quite untrue.

I am not aware of anyone having been appointed to the bench during the last 30 years, back to further, who had not had considerable experience of advocacy in the High Court, quite apart from his other qualifications for appointment, and I am satisfied that there has been no change in this respect since my retirement.

It would not be appropriate for me to comment on the many other misleading arguments in your leading article.

Yours faithfully,
DENIS DOBSON,
50 Egerton Crescent, SW3.

Worse than the disease

From Professor Ianis Macbeath

Sir, Lord Bowden (March 24) has surely chosen the wrong root for a word to describe the damage done by public policy. The trouble arises from ignorance or optimism about the limitations of vain authority in an imperfectly known world.

For more than four centuries we have had the word "utopian". Any one who cares to read what St Thomas More actually wrote about syphogrants, the managers and administrators of Utopia, should then look for parallels in, say, textbooks of planning, management and economics.

If we must have neologisms, why not the apterogonic syndrome for the textbook and "St Thomas's dance" for ordinary conversation?

True, Lord Bowden may feel he has Milton on his side. Milton had Satan quoting "public interest just, honour and empire with revenge enlarged", and continued: "Thus spake the fiend, and with necessity, the tyrant's plea, excus'd his devilish deeds".

Yet although this may appear to support Lord Bowden's choice of "pyramogenic", it is unfair to the modern syphogrant, who is more likely to be dogmatically well-intentioned and blind to the consequent evils. Satan knew.

Yours faithfully,
IANIS MACBEATH,
11 Broadhurst,
Ashted, Surrey,
March 24.

From the Reverend William J. Brown

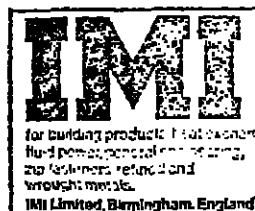
Sir, Many anti-Covenant individuals in all the pro-Covenant churches share Canon George Austin's clearly stated views (March 21), not least that marriage presents a model for ensuring that an administrative structure exists so that the number of survivors can be made as large as possible. Survivors would not be able to begin the tasks of rejuvenation immediately because of radioactive contamination, but since radioactivity decays with time the damage to a more normal way of life can be lessened, provided the correct planning is carried out.

It is for these reasons that those of us who act and have acted in a voluntary capacity as advisers on home defence feel that our effort is worth while. We have found it most encouraging that among us there are young scientists who continue to come forward to help in a task that is as manifestly humanitarian as it is necessary in the dangerous world in which we live.

We remain, yours faithfully,
W. F. NASH,
FRANK LLEWELYN-JONES,
W. F. R. POVER,
JOHN M. REID,
DENNIS F. SHAW,
F. W. SPIERS,
ALAN A. WILSON,
A. W. WOLFENDALE,
6 Spear Drive,
Aspley Hall,
Nottingham.

THE TIMES

BUSINESS NEWS



Women's continuing fight for equality, page 17

Stock markets

FT Index 521.3
FT Gilt 70.16

Sterling

\$2.280
Index 100.4

Dollar

Index 100.7
DM 2.160

Gold

\$539.50

Money

3 mth sterling 121.121
3 mth Euro \$ 151.115
6 mth Euro \$ 151.151
Friday's close

Bankers to open talks on Polish loan plea

Western bankers are to meet in London tomorrow to discuss Poland's request for a \$1,000m (£420m) loan. They will not grant new credit now as they are waiting for western governments to reach agreement on rescheduling the \$10,350m still owed to them.

Official creditors of Poland are scheduled to meet in Paris next week, but it is reported that their work has been impeded by the absence of any credible plan put forward by Poland that would give reason to believe the current financial crisis could be overcome. Poland last week estimated its total foreign debts at \$27,000m.

Bank lending

Bank lending went up by 2.08m, or 3.3 per cent, in the three months to mid-February, according to Bank of England figures published today. But the bank estimates that the increase, which is four times that in the previous three months, was heavily influenced by seasonal distortions. When these are removed, the underlying level of increase is thought to have fallen to just below the previous three-month period.

Carrofer talks

Executives from Eurofer, the group of EEC steelmaking companies, yesterday resumed negotiations in Luxembourg to draw up a voluntary agreement on production and delivery restraints to replace the European Commission's scheme of mandatory production quotas for steel which expires at the end of June.

hoe deliveries down

Footwear manufacturers' deliveries to the retail trade were down 23 per cent in volume in January compared with the same month last year and new orders were down more than 10 per cent, according to the British Footwear Manufacturers' Federation.

hip design group

British Shipbuilders has named a new company to run product development and research and development programmes. British Shipbuilders' dynamics will have partial responsibility for new designs for fuel-saving hulls.

30 jobs may go

Staveley Industries is to close its Asquith machine tool factory at Halifax with the loss of 350 jobs. But talks are to place about the possible sale of part of the business to Asquith management which could preserve about 100 jobs on the site.

bakery to close

The Sunblest bakery in North, part of Allied Bakeries, is to close on May 2 with the loss of 150 jobs. Another 120 workers will be transferred to more modern Betsabake factory in Norwich.

dia accuses Iran

India has accused Iran of king out of its commitment to the Kudremukh iron-ore project but says that it does propose to reallocate by selling Indian investments or assets in Indian companies.

an for Tunisia

The Kuwait Fund for Arab Economic Development has agreed two loan agreements with Tunisia worth \$40m to finance a road and irrigation development projects.

ime rate cut

The United Overseas Bank has cut its lending rate today to 13 per cent from 13.1 per cent.

CBI says output still slipping and jobless total set for 3.25m

By Patricia Tisdall

The decline in manufacturing output, which industrialists had hoped had touched bottom, will carry on sliding and relief is now not expected until 1982, according to economic forecasts published by the Confederation of British Industry today. The revised forecasts make it clear that a slowing-down in the rate of decrease perceived during the past two months will be strictly temporary.

The CBI's predictions clash with the guarded optimism about the economy shown by Sir Geoffrey Howe, Chancellor of the Exchequer, before the Commons Treasury select committee yesterday, where he predicted that the recession would bottom out some time during the first half of this year.

The forecasts, which have been revised to take account of the impact of the Budget measures, are exceptionally gloomy. Unemployment is expected to continue on an upward trend to the end of next year, when CBI economists are predicting about 3.25 million people will be out of work.

Manufacturing output, which it had been hoped might recover once stock pipelines were emptied, is expected to continue falling until the first half of 1982, to reach nearly 20 per cent below its 1979 level.

Output in the whole economy, after probably temporary ceasing to decline in the first quarter of this year in relation to the preceding

three months, will resume its downward path, and the decline may not come to an end until the beginning of next year, the CBI's economic situation report says.

The downward revision is almost entirely attributed to the effects of the Budget on demand. For the rest of this year, the CBI expects that falls in all the major components of demand will more than offset the results of lower stock levels to lead to a fall in gross domestic product, which by the end of 1981 is expected to be 3 per cent lower than 1980, with a further small fall expected for 1982.

Ignoring the indirect deflationary impact, the Budget measures are calculated directly to drain between £500m and £600m from business in the current financial year, as a result of higher petrol and oil duties, higher vehicle excise duty and other increased costs. CBI economists believe that the deflationary impact of the Budget on top of the depressing outlook for exports will more than counterbalance the easing in orders and output shown in the monthly inquiry into trends in manufacturing industry, also published today.

This shows that the proportion of industrialists whose orders books were considered below normal in March had dropped from 76 per cent to 74 per cent.

Another hopeful sign was the decrease in the companies which expected volume of output to decline in the next four months. This dropped from 31 per cent in February to 27 per cent in March.

Car industry hardest hit by redundancies

By Paul Routledge

The Trades Union Congress has analysed the industrial impact of job losses ahead of its conference next week on emergency measures to combat the rising tide of redundancies, and concluded that the vehicle industry has suffered more than any other. Last jobs in car plants account for over 23 per cent of the 107,092 toll in the four months to February 1.

Engineering, metal manufacture and textiles have also been hit hard, but the unions discern a "small increase" in employment levels in state-run gas, water and electricity utilities, and in public administration, and a substantial increase in other service industries of 28.00m.

The TUC is poised to revive its crisis guidance issued during the 1974 period of the three day week to union negotiators faced with large-scale redundancies. At a conference on unemployment and working time on April 9, union leaders will be asked to consider emergency measures to ban overtime, institute work-

sharing and short time in the interests of saving jobs.

"Employment has fallen swiftly in most manufacturing industries over the last 12 months," the TUC reports. Latest figures show a loss of jobs of nearly 300,000 in the year to November last, compared with the rise in registered unemployed of just over 700,000.

The decline has hit five industrial sectors worst. Employment in engineering fell by 157,000 and in textiles by 12,805. Figures for metal manufacture were 77,000, vehicles 63,000 and metal goods 58,000. "The rate of loss of jobs in manufacturing has also been accelerating," the TUC adds.

Nearly a quarter of all redundancies were in the vehicle industries, indicating that the high rate of job loss in the industry has continued. "Further indications of future job losses come from recent industry estimates that car sales in February 1981 were nearly a fifth down on the corresponding month in 1980 and the prospect of a 20,000 redundancies within BL alone."

REPORTED REDUNDANCIES BY INDUSTRY (1.10.80 TO 1.2.81)

Industry	Number of reported redundancies	Percentage of reported redundancies
Vehicles	25,049	23.4
Engineering and metal goods	15,708	14.7
Engineering	12,805	12.0
Textiles, clothing, footwear	12,539	11.7
Food, drink, tobacco	9,300	8.7
Other industries	20,756	19.4
Non-manufacturing	10,934	10.2
Total	107,092	100.0

BSC may face new clash over decision on £50m coal imports

By Peter Hill

A new controversy threatens to erupt within the steel industry over coal imports by the British Steel Corporation.

Senior executives of the corporation will decide shortly whether a contract for 400,000 tonnes of coal a year, worth an estimated £50m over three years, should go to the National Coal Board or to an American mining company. The decision is important as it follows the Government's intervention last month in the coal board's pilot-closure programme and its commitment to secure a reduction in coal imports by the steel industry.

Negotiations on the contract are highly sensitive in view of the importance which the National Union of Mineworkers has attached to coal imports. The steel corporation executives have agreed with the Central Electricity Generating Board, the coal board's two largest customers.

Miners' leaders want imports by the two leading state-owned consuming industries brought down to an "irreducible minimum".

Steel corporation executives have agreed with the Central Electricity Generating Board, the coal board's two largest customers.

than the electricity generating board, which is substantially below the coal board's own list price. But its senior executives have said that the board will have to be able to satisfy the stringent quality requirements which the steel corporation demands.

Consistency of supply and of quality are regarded by the corporation as essential to its coking coal purchases if it is to achieve the level of efficiency and yield from its modern blast furnaces.

There appears to be some scepticism that the coal board will be able to meet these requirements laid down as it is understood that the board has proposed that the quality required by the steel corporation could be obtained from several different collieries.

Mr Ian MacGregor, the steel corporation chairman told MPs recently that he would consider the contract for three years but would be restrained from importing coking coal since it would force the corporation to "take a pace backwards in its attempts to make itself reasonably efficient".

"One of the fallacies is that coal is coal is coal. Coking coal is a highly sophisticated material. The penalty of using substitute coal is rather difficult to work out, but it is much larger than the cost of coal," he said.

New suitor for 20th Century Fox

From Ivor Davies

Los Angeles, March 29

Mr Kirk Kerkorian, the financier who holds the controlling stake in the Metro-Goldwyn-Mayer film company, may be interested in buying 20th Century Fox now that Mr Marvin Davis, a Denver oilman, has withdrawn.

Mr Gregson Bantzer, the lawyer who represents Mr Kerkorian, said over the weekend that Mr Kerkorian was likely to become Fox's next suitor.

Only last month Mr Kerkorian received \$79m (£35m) for his interests in Columbia Pictures and had expressed an interest in acquiring Fox before Mr Davis first offered \$800m for the company in February. Mr Davis, a businessman, said Mr Kerkorian had been approached by Mr Siegel, the chairman of Chris Craft Industries, to discuss the situation shortly after Mr Davis announced that he was withdrawing. Chris Craft owns the largest block of Fox shares.

Mr Bantzer refused to elaborate on the nature of the deal that Mr Kerkorian was seeking, but said that he was convinced that Mr Kerkorian would pursue the matter. "Whether this would be a buyout of Fox, or if Fox will handle the distribution of MGM films will have to be determined later," he said.

Mr Davis's withdrawal continued to be the talk of Hollywood over the weekend. Mr Davis remained silent but Mr Siegel, a publicist who was representing him, suggested that he had backed out of the deal because he did not like the way he was being treated by Fox.

Mr Davis said in a statement: "Someone thought Marvin Davis would not back out of the deal at the last minute but learned otherwise and one should now be convinced that Mr Davis is a businessman who cannot be intimidated and manipulated."

On the stock market Fox shares closed on Friday at \$55, down \$6.75 on a turnover of 358,700 shares making the firm company the tenth most actively-traded stock.

Long-term corporate bonds may return

By Ronald Pallen

At least two major British companies are believed to have been planning to issue long-term corporate bonds in order to make corporate bond issues when the time is right.

In both cases the issuers are hoping to see the structure of long-term yields drop another 1 per cent before they test the market.

Such a move would represent a large new source of capital for British industry as the corporate fixed-interest market has been virtually inactive since 1974. Companies have been reluctant to borrow funds for periods of between 20 and 25 years at the high rates of interest prevailing in recent years.

From 1963 to 1972 some 15 per cent of industrial and commercial companies' external funds was in the form of loan capital, but since 1974 net redemptions of loan capital (including debentures) have become common.

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Hotel chiefs gather ammunition in battle for the Savoy

By Philip Robinson

in London and Anthony Hilton in New York

The £58m battle for Sir Charles Forte for Sir Hugh Wommer's Savoy hotels group begins in earnest this week.

Trusthouse Forte has now sent Savoy shareholders a letter explaining why it is seeking High Court permission to call meetings for them. Sir Hugh has refused to call the meetings himself.

Already there has been evidence of personal acrimony between the two and the City is intrigued by how Sir Hugh will fight Sir Charles's first contested bid.

One delicate subject which Sir Hugh could well raise again is the abrupt departure of Trusthouse from operating the 384-bedroom Pierre Hotel in New York. Around 192 rooms are apartments which are let to wealthy tenants on a permanent basis.

The operating structure of the Pierre is complex. It is owned by a private company, 795 Fifth Avenue. Appointments to its board of directors are influenced by the apartment holders.

Trusthouse obtained the operating contract on a long lease about three years ago. Since then it has spent an estimated £5m on improvements. The contract has a three-year break clause which was exercised after some recent board changes.

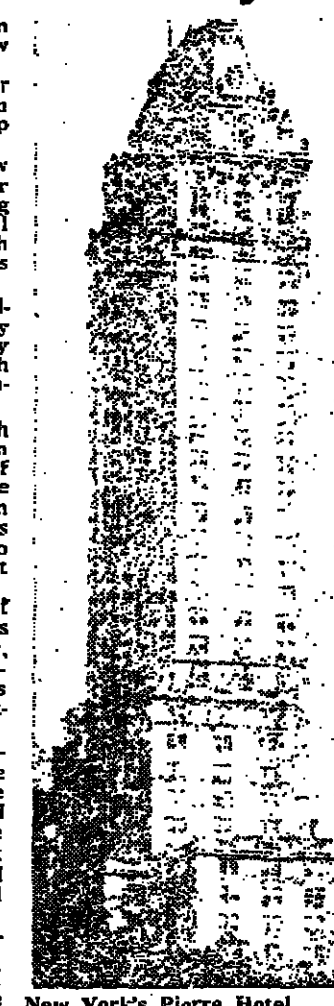
The Canadian-based Four Seasons chain, which owns the Ian on the Park in London, signed a 21-year lease with the Pierre operative from March 1. Trusthouse is currently suing the Pierre and its so-called "cave dwellers" (apartment holders) over the contract.

The chairman of 795 Fifth Avenue, Sir Charles, has commented. His lawyer said he was in Florida.

One recent tenant of Pierre was Mr Michele Sindona who owned an apartment said to be worth in excess of \$500,000. Mr Sindona was a controversial figure who started in 1974 and is still owned by the 47-year-old Canadian Mr Isadore Sharp. He studied architecture and went into the family housebuilding business in 1952. His first hotel, the Four Seasons in Toronto, was opened in 1961.

He is entirely appropriate and indeed the best way of fulfilling normal standard of fairness to put these proposals to you by way of a Scheme of Arrangement. As a consequence, the holders of "A" ordinary shares who are entitled to no less than 97.7 per cent of the Savoy's total equity, but only 51.5 per cent of the votes, can determine the future of their investment."

Any suggestion that Sir



New York's Pierre Hotel.

Charles wants the Savoy because of the loss of Pierre, which was seen as Trusthouse's international flagship, would be hotly denied. The flashpoint over the contract was Sir Charles's takeover came when the Savoy, which also owns Claridge's, the Connaught and the Berkeley, decided to sell offices and flats above Simpsons in the Strand.

Sir Charles reiterates the point to Savoy shareholders today as he waits for the High Court's decision which is expected some time next week.

In his letter, explaining the means by which he intends to put his offers to the "A" and "B" shareholders to the vote, he says: "We are advised that the Scheme of Arrangement is entirely appropriate and indeed the best way of fulfilling normal standard of fairness to put these proposals to you by way of a Scheme of Arrangement. As a consequence, the holders of "A" ordinary shares who are entitled to no less than 97.7 per cent of the Savoy's total equity, but only 51.5 per cent of the votes, can determine the future of their investment."

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Financial Editor, page 17

Ministers face energy costs attack

By Patricia Tisdall

Government ministers are expected to come under sharp attack from both trade union and employers' leaders over energy costs at the National Economic Development Council meeting on Wednesday.

Mr David Howell, Secretary of State for Energy, is due to open the debate with a report on industrial energy prices at the meeting, the first since the Budget.

At the last NEDC meeting which considered detailed costs Mr Howell promised a government response to industrialists' interpretation of this as a strong hint of assistance in the Budget. They are now expected to voice their bitter disappointment with the outcome and to press for mitigation of comparative international energy costs to be continued.

Dr Ture argued that the budget deficit itself was not important, but what really mattered was how it was financed. Printing more money to finance the deficit was the most certain path to higher inflation.

Raising savings to finance the deficit and keeping overall money supply growth tightly controlled was the Reagan Administration's approach.

Dr Ture admitted that he could understand the confusion that abounded in Congress and across America about an administration whose tax and spending cuts produced a \$45,000m budget deficit and that still claimed inflation would fall. He clearly regretted that President Reagan campaigned so hard against the inflationary consequences of budget deficits.

The Reagan programme had been presented to Congress and the big task now is selling it. Dr Ture is explaining to the many unbelievers that tighter money policies with big tax cuts and large spending cuts can within months, set the American economy on its way to new prosperity.

Frank Vogt

in Washington

Reagan team determined not to make mistakes of Thatcher monetarism President stands by promise of big tax cuts

By Patricia Tisdall

President Reagan's budget programme will bring vast improvements in inflation expectations with an enormous impact on savings and investment, Dr Norman Ture, under-secretary of the Treasury for tax and economic affairs, says. Dr Ture, who had a great deal of influence in designing the budget, added: "You would have the whole economy crashing through the 1,000 barrier."

Last week the Dow Jones industrial share price index hovered around the 1,000 level. However, a sustained breakthrough will not come until there is a clear picture of what is going to happen to the economy, so congressional action on the budget is important.

Dr Ture, aged 57, a professor, business consultant and former official in numerous United States administrations, is widely credited as being one of the fathers of supply-side economics. He sees changes in marginal tax rates and in public economic expectations playing vital roles in changing the economy's course.

In an interview he said that the "economy will take off" if there are some strong congressional endorsements of the tax and spending cuts, if the Federal Reserve Board provides clear signals of its determination to slow money supply growth, and if there is action on governmental deregulation of business.

Dr Ture said he considered Mrs Thatcher one of the bravest politicians in the world. One of her errors, however, was her failure to implement real marginal tax cuts on all incomes at the start of her term of office, with value-added tax increase offsetting too greatly the income tax reductions.

President Reagan is not making this error. He is going for full-scale 10 per cent across-the-board income tax reductions. Everyone's marginal

rates will be reduced and at least one half to two thirds of the tax reductions will go into savings.

A 1 per cent rise in the savings rate means more than \$25,000m (£11,000m) Dr Ture said. He revealed that after the tax cuts of the mid-1960s, the savings rate averaged between 7 and 8 per cent for a decade, from a level similar to today of around 5.5 per cent, and a similar gain in the savings rate was likely.

On Capitol Hill the Democrats appear to believe it is going to be politically easier to trim the tax cuts proposed by the President than the budget cuts.

Dr Ture is not worried. He said the opinion polls suggested there was stronger public demand for the tax cuts and the public's attitudes would have their effect on Congress.

He argued that the timetable suggested by Congressman James Jones, chairman of the budget committee, for full enactment of the tax and spending cuts by August 1, was realistic. He said it was the effort by the Democrats to slow the approval process, but the administration was not going to let this happen.

THE UNITED STATES DEBENTURE CORPORATION LIMITED

Extracts from the Directors' Report Year ended 31st January, 1981

Main Features	1981	1980	% Change
Gross Revenue	\$5,480,798	\$5,587,329*	+19.0
Net Assets	\$96,773,449	\$86,634,839	+11.7
Per Ordinary 25p Stock Unit:-			
Earnings	5.75p	4.61p	+19.5
Dividend	5.55p	4.78p	+16.7
Net Asset Value	133.6p	118.9p	+12.4

*Excluding exceptional gross revenue of £963,318

Dividend and Revenue

Due to a better than expected 20.1% increase in after tax revenue available for Ordinary Stockholders to £3,942 millions (1980 £3,282 millions), we are able to recommend a final net dividend of 3.58p per ordinary stock unit making a total dividend for the year ended 31st January 1981 of 5.58p per ordinary stock unit. This represents a 16.7% increase in the normal dividend, exclusive of the previous year's special dividend of 0.8p per ordinary stock unit. The increase in after tax revenue was achieved despite a background of continuing economic problems in the United Kingdom, the United States of America and Canada, and despite conditions of strong sterling currency which had a detrimental effect on the conversion of North American income.

I would seem that the main determinant of the sterling exchange rate is the international perception of our nation's North Sea reserves of oil and gas rather than the relative level of interest rates. It therefore appears likely that sterling will continue to be in demand as an international reserve asset, but that its strength against the American dollar will diminish.

In the current year we expect that corporate profitability in the United Kingdom will be poor and that the growth of income received will therefore be at a lower level than in the year just ended. Nevertheless, it should be possible to maintain the current rate of dividend, despite our intention to increase investment in the United States of America.

Investments

The investments grew in value to a record level of £97,899 millions (1980 £87,350 millions). The market value of the United Kingdom investments increased by 11.6% compared with the 2.9% rise in the Financial Times Industrial Ordinary Share Index and the 14.8% rise in the Financial Times All Share Index. The market value of the American investments increased by 12.6% compared with the 8.7% rise in the Standard and Poor's Composite Index, as adjusted for movements in the exchange rate. The market value of the Canadian investments rose by 2.5% compared with the 2.1% rise in the Toronto Composite Index, as adjusted for the movements in the exchange rate. During the year, in accordance with our long-term policy of increasing the proportion of the Company's investments in the United States of America, an amount of £1,423 million was invested there as a result of switches from the United Kingdom, Canada and elsewhere.

The Oil, Gas and Exploration content of investments has grown to 25.7% (1980: 21.6%). This is in accordance with the Board's long-term policy of having an above average commitment to energy companies.

Investment Policy

We predict that stock markets in the United Kingdom, United States of America and perhaps Canada will all have made modest progress by the end of the current financial year. We therefore think it prudent to be fully invested.

In these uncertain times we intend to concentrate investments in quality companies with defensive characteristics. These companies should be soundly managed with strong balance sheets. They should not be over-borrowed and should have the ability to generate cash and to increase dividends.

MANAGEMENT

It may seem curious at a time when almost every high street shop has a sale or special promotion sign on display to suggest that discounting has hit its day. But it is a fundamental retail axiom that a new sales approach is always needed.

For one, has concluded that the time has come for change. "Pricing is important. But there is not such a difference between the prices in the big stores that people think it worth the shoe leather to go down the road just on that score," says Mr Ian MacLaurin, its managing director.

So in June Tesco will unveil a new campaign to replace "operation Check-out", which involved a dash for growth in sales volume three years ago through discounting. That had followed Tesco's decision to drop giving trading stamps.

Check-out has served its purpose. Tesco is now second only to the Co-operative retail societies in market share, with 13.9 per cent of the market—just ahead of J. Sainsbury. It now needs a new marketing campaign to support this new approach. The same development can be seen in the newer stores of Associated Dairies' ASDA supermarkets chain, a far cry from the rough and ready curbside outlets which once characterized the Leeds-based multiple.

Tesco knows that building an image of quality is a long slog. It can take years, even a decade. Mr MacLaurin concedes that a Marks and Spencer reputation cannot be built overnight. On the other hand as a recent British Food Trading Profile* by consultants Halliday Associates concluded, for price to be an effective selling point, a retailer would have to sell consistently and across a wide range of items at prices at least 5 per cent below its competitors.

The argument is that consumers are spending more in real terms on less food and that many retailers have not caught up with changing consumer preferences. An example given by Halliday is a supermarket stocking 14,000 cans of baked beans but with no sign on the shelves of broad beans, kidney beans,

More to food retailing than simply cutting prices



Mr Ian MacLaurin, managing director of Tesco: a new campaign.



A Tesco store advertising the "Check-out" price campaign, which has pushed up the group's market share.

asparagus, spinach, ratatouille and similar items.

Affluent households are growing at the expense of those in the middle and lower income bands. Those with £140 a week income or more have risen from 14 per cent in 1968 to 41 per cent last year. The middle category (£70 to £140 a week) fell from 49 per cent to 32 per cent and the lowest category (£50 or less) from 37 per cent to 27 per cent.

If all this evidence points away from an era of need-led pricing—the likely retail market upturn next year being another factor—leaves the big multiples with a problem. Whether it is a Tesco hurrying to replace old small stores with larger units or an ASDA simply

trying to expand its stock of large stores.

Multiples have been competing with each other to lay hands on sites for new store development, with the trend away from out-of-town locations back to town centres—which puts up the development costs.

The recession has caused many to temper their expansion into new, larger stores, but the investment taking place—£800m a year—is still substantial.

Tesco, faced with local authority planning delays which aggravate the costing problem, has come up with the idea of "private sector co-operatives". The multiples, scrambling for prime sites be-

fore the supply runs out, have often turned themselves into developers, producing packages acceptable to local authorities which often own the land.

Tesco wants to extend this idea, with local authorities setting planning targets and working with first-generation capital on cost-effective schemes.

The usual mix of retail interests—(W. H. Smith, Boots, Marks & Spencer and so on)—and one or two supermarkets from the multiples—could be the chief source not only of capital but of the expertise that would put a scheme on the right lines.

Smaller retail outlets, possibly a public house and services useful to the community—a hall perhaps, would all fit into the project.

It could be a natural development. The pressures on Tesco, with its high borrowings, are well documented, though its decision to pull out of schemes at Watford, and more recently at an as-yet unidentified north of England district centre, have not been dictated by borrowing considerations. It is certainly true that other multiples have complained that the cost of participating in new schemes is becoming prohibitive.

What Mr MacLaurin looks for, from his company's "co-operatives" is that they could accelerate an often drawn-out process of getting schemes through the local authority machine.

When Tesco was first involved in the Watford development (in the late 1970s), the estimated development cost was £8m; when Tesco pulled out recently the cost had risen to £15m and the development is still not let.

Derek Harris
*British Food Trading Profile, Halliday Associates, Swanway, Essex, E25.

Towards the European accountant

Publication of the European Economic Community's proposed Eighth Directive on the qualifications of those eligible to audit limited companies (statutory auditors) focuses attention on the widely varying methods of qualification to an accountant in the Community.

For those still struggling through difficult examinations, in Britain it may be some comfort to see the problems faced by people in other EEC countries.

Our table attempts to compare the principal qualifications in each country. Greece is not included, however, there are several competing accounting bodies in that country and the traditional ones have a strong legal orientation. At this stage it is still not clear which of these will emerge as the "official" statutory auditors in the context of the Eighth Directive.

A striking feature is the high number of qualified accountants in the United Kingdom—a veritable "accountants' mountain". However, a large number of those work in commerce or industry, while those in practice (only 25 per cent of the total) have to audit all limited liability companies.

There are some 600,000 of these in the United Kingdom out of a total of 1,500,000 in the EEC as a whole. In most other EEC countries only the larger limited companies at present fall under mandatory audit requirements, if at all, and some national institutes accept as members only those in public practice.

This situation will change, though, as a result of other EEC legislation which calls for more companies to be audited than can at present be handled by the fairly small number of qualified auditors in most other EEC countries today.

It is interesting to see that while a British accountant can hope to qualify by 25, his German counterpart may have to wait another seven years, while also showing that practical training is not required in The Netherlands and Italy. Yet, for qualified people without such practical training it would be extremely difficult to start a career in public accounting or to obtain an engagement as statutory auditor.

It will, however, only be a matter of time before this situation is remedied: the mandatory training requirements of the Eighth Directive will bring the two countries concerned into line with all the other member states.

A relevant university degree (generally economics or law-based) is compulsory in five of the member states and of distinct advantage in terms of examination exemptions and/or period of practical training in the others. A university degree is still not mandatory in the United Kingdom though an increasingly large number of accountants do now have one.

Training requirements are evidently another aspect of the Directive and much emphasis is placed on a knowledge of law, including criminal law. This feature has been introduced by the Latin countries, but it is foreign to countries

such as Britain and The Netherlands. It tends to some degree to reflect the prevailing thinking, especially in French audit quarters (*Commissaires aux comptes*), that the auditor's responsibility also includes reporting violations of the law committed by clients.

With today's emphasis on mobility of labour, the question of reciprocal recognition of qualifications comes to the fore. Only a few years ago strict nationality rules were still being applied to prospective accountants in most member states.

The Directive makes no attempt at liberalizing cross-frontier practice rights. Each country will keep a national register of authorized auditors, all of whom might have been trained under the Directive's requirements, yet will still have to seek special permission from the national authorities

of their prospective host country, if they wish to practise outside the country in which they were professionally registered.

The Eighth Directive also addresses itself to other issues, such as the auditor's independence, reciprocal authorization arrangements with non-EEC countries, the different legal forms an audit practice can take and the conditions under which an authorized auditor can practise with non-authorized auditors.

The Directive also indicates both the extent and the conditions under which non-authorized auditors can participate in the capital of an audit firm. In some countries—Germany for example—audit firms have as shareholders outside parties such as banks or governments, something quite unknown in the United Kingdom or Belgium.

HOW QUALIFICATIONS IN THE COMMUNITY COMPARE

	Belgium	Denmark	France	Ireland	Italy	Luxembourg	The Netherlands	United Kingdom	West Germany
Main Qualifications	Reviser d'entreprise/Bedrijfsrevisor	Statutaire revisor	Expert comptable	Chartered accountant	Dottore commercialista	Expert comptable	Register accountant	Chartered accountant	Wirtschaftsprüfer
Approximate number	250	1,400	8,000 (2)	2,000	14,000	50	4,500	80,300 (4)	3,900
Educational requirements	Relevant degree	Relevant degree	University or business school degree compulsory	Degree not compulsory	Relevant degree	Relevant degree	Degree not compulsory	Degree not compulsory with certain exceptions (4)	Relevant degree (5)
Practical training	1-3 years	3-5 years	3 years	3 years with degree 4 years without	None	3 years	None	3 years with degree 4 years without	5 years (6)
Average qualifying age	27	30	28	25	26 (3)	28	30	25	32
Other important qualifications	Expert comptable (1)	Register revisor	Commissaire aux Comptes (9)	Certified public accountant	Ragioniere Professionista (7)	None	Staatspraktijk, Certified Diploma Accountant-cost and Administrative management Consultant	Chartered accountant (6)	Steuerberater (8)

(1) This qualification is held by approximately 1,200 accountants but is not officially recognized by law. (2) Includes *Comptables agréés*. (3) Average age of competent candidate. (4) Includes English and Scottish Institutes of Chartered Accountants. (5) In exceptional circumstances it is possible to qualify without a university degree, in which case 10 years practical training is necessary. (6) Allows certain exemptions from practical training. (7) Requires 10 years practical experience before taking written and oral examinations. (8) Specification is five years in business field of which four must have been concerned with auditing. (9) There are approximately 8,000 *Commissaires aux Comptes* in France.

Source: Ernst & Whinney.

Shift from printing brings its benefits

Watford's printing industry, once dominant enough to earn the town the sobriquet of the printing capital of Europe, has been hard hit during the present recession.

The strength of the Hertfordshire town's two giant print plants, Sun Printers and Odhams, has been undermined by a decade of declining profitability, not to say outright losses, increasingly successful foreign competition and, more recently, by the strength of sterling.

But though they employ only about half as many people as they did 10 years ago, the two companies are still large enough for their problems to send ripples of apprehension throughout the local community.

And problems there have been. Odhams, whose main power base is the range of weekly magazines printed for its parent IPC, lost the *Sunday Telegraph* magazine last November.

Mr Rupert Murdoch's takeover at *The Times* and *The Sunday Times* led to speculation about the continued printing of *The Sunday Times* magazine at Sun Printers. The financial problems of Sun's parent, the British Printing Corporation, raised fears that plant might not get the large share of the printing work on

the *TV Times* that it had been promised under a deal announced last year.

Without that contract the future of Sun looked grave and there were added problems over the loss of mail order work to European competition.

Acceptance of the "survival" plan for Sun, drawn up under the watchful scrutiny of BPC's new chief executive, Mr Robert Maxwell, coupled with the eventual clinching of the *TV Times* deal, in which the survival plan played a vital part, has pulled the plant back from the brink.

Brighter future

But it has also meant the loss of more than 400 of the plant's 1,700 or so jobs. Now, however, that BPC has announced that Sun will be part of an autonomous gravure printing group within the corporation, with plans for substantial investment aimed at clawing back millions of pounds worth of work being lost to its competitors, the future looks rather brighter.

Odhams has so far avoided redundancies. The *Sunday Express* magazine is due to start rolling off its presses this week and at least one other big contract could be on the cards. But, with other gravure plants trimming their workforces,

which gives foreign competitors a trading edge. He points out that one of Britain's big printing competitors, Italy, has just devalued the lira.

Watford's dependence on the printing industry has been decreasing the effects of recent traumas has been less dramatic than might once have been the case. Other industries, like engineering and electronics, have moved into the town to help spread the range.

But the other industries themselves have felt the effects of the recession. The worst blow just a few days before Christmas last year when the Dickinson Robinson Group decided to close its Croxley Mills in Watford with the loss of more than 700 jobs, ending almost 150 years of paper making at the plant.

Jobless level

Other jobs have gone, too, and the number of unemployed this month is slightly over 2,500. But, at 53 per cent of the working population, unemployment is only just over half the national average.

The area's biggest employer, Rolls-Royce, with a workforce of 3,400 at its Levensham factory, is gradually shedding some white collar jobs, but sales of its helicopter engines have remained fairly stable—even

though cuts in defence spending caused some worries. The management is hopeful of breaking into the lucrative civil aviation market, where helicopter sales are booming.

Another big engineering concern, Scammells, part of BL, has escaped many of the difficulties that have beset its parent company and its rivals in the commercial vehicle industry. The plant had a three-month spell of short time late last year, but its reputation as a specialist truck builder, coupled with two multi-million pounds orders for military vehicles from Jordan and Iraq, has sheltered it from the worst effects of the slump in commercial vehicle sales.

Mr Bob Stewart, manager of the Watford Job Centre, believes that an important factor in the town's fairly low unemployment level is the diversity of industry. There are only a few big employers and in a town the size of Watford that is very unusual. The rest are smaller units.

"A lot of the smaller firms may have trimmed their workforces a little, but they are still there," he says.

But he points out that while the town's unemployment level might well be the envy of other areas, it is, by Watford's own standards, unprecedentedly high.

Mark Milner

LETTERS TO THE EDITOR

Time to look again at industrial democracy

From Professor Malcolm Warner

Sir, I learn from your columns (March 19) that British companies have gained a new concession from the Legal Affairs Committee of the European Parliament regarding its draft directive on industrial democracy.

The committee has come to an agreement that British companies can have a consultative council of workers, instead of blue collar directors. It had already conceded the right of all employees to vote by secret ballot.

Is it vital that we now reopen public debate on the issue? There is certainly evidence that a possible alignment of political parties might lead to statutory legislation in this regard.

European countries already boast a wide and fascinating spectrum of *de jure* as well as *de facto* forms of employee participation, with a wide range of institutional arrangements which have developed over the last three decades at least. By law, firms must have some form of workers' council, albeit consultative, in nearly all these economies; many also stipulate employees' representatives on the supervisory (non-executive) boards of their companies. For example, the Federal Republic of Germany (arguably the most capitalist of the EEC economies) statutorily requires virtually half the seats on these top boards to go to employees' candidates at least in the larger companies, backing up the mandatory works councils at plant level.

According to a recent study by European colleagues, the value of workers having a greater say in how their firm is run is precisely that it may positively help organizational efficiency. "If employee partici-

pation is an integral part of the management strategy of the development or survival of the enterprise as a whole, we would expect mutual reinforcement" (IDE Group, *Industrial Democracy in Europe*, Oxford University Press, 1981, p 334). This study closely looked at 134 firms and carried out over 8,000 individual interviews, across twelve European countries (including Yugoslavia and Israel).

An average of most workers interviewed gave three exceptions, France, Italy and Israel, where the figure was around 60 per cent of 70 per cent believed that indirect participation via their representatives helps to make decisions taken in the firm "more acceptable" and hence "a positive effect on organizational efficiency". This seems a convincing finding and most European managers do seem to cope with and adapt to their national system of participation whatever the extent of worker involvement may be.

Surely, further discussion concerning the variety of schemes available for worker participation would be helpful, particularly given the pace of technological change and the need to involve employees in such developments.

A recent opinion poll (in early February this year) suggested that of the policies considered most important by potential supporters of the then proposed new Centre alignment in British politics more industrial democracy came next to the top in importance. The time is surely ripe to once again open up the debate.

Yours sincerely,
MALCOLM WARNER,
The Henley Doctoral Programme,
The Administrative Staff College,
Greenlands,
Henley-on-Thames,
Oxfordshire RG9 3AU.

Banks and the health of the economy

From Mr Charles A. Weighbridge

Sir, As far as I know nobody has attempted to trace the relationship between the success or lack of it of any economy and the number and choice of financial institutions which serve it.

In Britain we have the most heavily concentrated banking system and the fewest number of commercial banks of any country in the West. The state of the economy requires little comment.

Whatever the connexion one can have failed to notice the clearing banks in Britain exercising their financial *droit de seigneur* over industry. Nor can one have failed to notice that British banking is the most profitable in the world at a time when commerce and industry is sliding into extinction.

Against this background Britain needs a banking merger about as much as the Sahara needs a really good drought. If the Lloyds/House of Fraser takeover is to be referred to the Monopolies Commission on the ground of "size" or some such obscure pretext then how about Standard Chartered Banks bid for the Royal Bank of Scotland Group?

Yours faithfully,
C. WEIGHBRIDGE,
27 Charnworth Road,
Ealing,
London W5,
March 24.

Dividends from Nigeria

From Miss Joanna Dickson

Sir, I am grateful you published the letter from Mr E. W. A. Spicer on the subject of "Dividends returns from Nigeria" (March 23), regarding Nigerian Cement Company. It is to be hoped that many other shareholders will get in touch with Mr Spicer at his request.

Dividends have not been paid since 1966, and not 1975, as you printed.

It may be of added interest to note that Zimbabwe has taken the honourable action to outside investors, by releasing funds, held in blocked accounts, in the form of bonds issues.

Their internal conflict has only recently finished and they are very much in need of outside help.

Nigeria's internal conflict finished more than a decade ago and they are in a far better position to do what is right to outside investors who believed in Nigeria during the fifties.

Yours faithfully,
JOANNA DICKSON,
1 The Pleasance,
Kinsbourne Green,
Harpden,
Hertfordshire AL5 3NA.

Revenue form-filling

From Mr D. B. Harper

Sir, For some years the small businessman who calculates his wages and PAYE etc. manually has been provided with P.11 cards on which to make the entries and which he has returned to the Inspector of Taxes with a summary form (P.35) at the end of the year.

I have recently received from the Inland Revenue some documents entitled "Deductions Working Sheet P.11 (New)". There appears to be no significant difference in the layout of the document although it is slightly larger. However, the card which is handled throughout the year is now replaced by this flimsy sheet, which I suspect will become dog-eared over 52 weeks of use. Moreover, we are instructed on the bottom of the form that it must be kept "for not less than three years after the end of the year to which it relates, or longer if directed".

I have written to the Inspector of Taxes asking him under

what piece of legislation we are now to carry out their filing as well as their tax collecting, but to date have had no reply.

What is, of course, irritating for people such as myself is that we are expected to make changes in our own systems with no explanation or justification from the Inland Revenue; and, quite clearly, although it may be possible that they are making some savings, it must be recognized that any change in the documentation will have had some cost which may or may not have been taken into account.

Perhaps through the medium of your column we may ask for some explanation.

D. B. HARPER,
Principal,
Eaton House School,
3 & 5 Eaton Gate,
Eaton Square,
London, S.W.1.

Cold water washing

From Mr G. F. H. Cullen

Sir, I noted with interest Mrs Wilson's letter (March 20) regarding cold water clothes' washing powder.

Mrs Wilson gives an account of her efforts to persuade a major United Kingdom company to manufacture such a detergent in this country following her use of such a detergent in the United States. She adds that there were no plans to make such a product in the United Kingdom. However, Mrs Wilson might be interested to learn that there is already a cold water washing powder on the market in this country.

This is a product called "S.A.8 plus" made by Amway and marketed by Amway distributors to customers in their homes. This product is also biodegradable and contains a water softener and a corrosion inhibitor. What it doesn't contain is fillers which bulk out British detergents and require hot water to perform satisfactorily. Since 70 per cent of the cost of a wash is attributable to the energy cost of heating the water to perform a hot wash, it can be seen that cold water washing powders are a substantial financial benefit to users.

G. F. H. CULLEN,
154 Franks Road,
Dovercourt,
Essex, CO12 4EF.

Yeoman Investment Trust Limited

Results for the year ended 31st December 1980

	1980	1979
Revenue before taxation	£1,216,180	£1,093,114
Taxation	£395,424	£348,066
Revenue after taxation	£820,756	£745,048
Earnings per Share	13.38p	12.16p
Ordinary dividend per Share	12.75p	10.75p
Net asset value per Share (fully diluted)	306.7p	251.1p

The net asset value increased by 22.2 per cent over the year. The ordinary dividend represents an increase of 18.6 per cent over the previous year, excluding the special dividend of 1.05p paid for 1979. The current recession will make 1981 a difficult year for profits and dividends, and the Board have thought it prudent to recommend the retention of a larger proportion of earnings than in recent years, with the intention of at least maintaining the increased level of dividend for the current year. A 1 for 1 capitalisation issue of shares is proposed.

During the year the Company took an interest in a consortium which was successful in obtaining one of the seventh round North Sea 'premium' licences.

Twenty-five largest holdings			
Market Value £		Market Value £	
Company		Company	
Shell Transport and Trading	1,031,800	Anglo American Corporation	208,500
British Petroleum	855,945	Marks and Spencer	207,000
Hanson Trust	652,000	De Beers Consolidated Mines	204,975
Prudential Corporation	588,481	Save and Prosper Limited	202,000
General Electric (U.K.)	583,000	Yorkville	193,700
B.L.T. Industries	500,000	Investment Trust	202,000
Standard Chartered Bank	483,469	De Beers Consolidated Mines	196,700
Dynamos Investments	477,500	Young Companies Investment Trust	186,420
Barclays Bank	470,182	Moorgate Investment Company	170,200
Consolidated Gold Fields	460,000	London Merchant Securities	168,110
Slough Estates	452,900	Tokyo Mitsui Bussan Kaisha	165,827
Imperial Chemical Industries	442,112		
Pan-Holding S.A.	435,149		
European Financial Group	425,119		
Imperial Chemical Industries	418,700		

DIRECTORS: Desmond A. Reid (Chairman)
Maurice B. Bering Nicholas W. Berry
Rodney A. Pellatt (Manager) Christopher A. Kealey

HILL & SMITH LIMITED

Steel Stockholders-Manufacturers of Safety Barriers and Steel Lintels-Drop Forges

- Record profit of £1,132,171 for year to 30th September 1980 despite adverse effects of the recession.
- Dividend 10% higher than last year.
- 1 for 10 Scrip Issue.
- Cash position strong.
- Demand currently low but record of progress should be resumed in 1982 given more normal trading conditions.

Addressing the Annual Meeting Mr. Denis Hodgetts, the Chairman, announced the acquisition of Asset Building Components Ltd., manufacturers of steel lintels and industrial roller shutters.

Copies of the Report and Accounts are available from the Secretary, Hill & Smith Limited, P.O. Box No. 4, Brierley Hill, West Midlands, DY5 1JL.

BY THE FINANCIAL EDITOR

As Trusthouse takes the Savoy to court...

Charles Fort's attack on The Savoy would go into the courts shortly. The Registrar will be asked to decide whether the Trusthouse Fort's Scheme of Arrangement under Section 286 of the Companies Act (the first time this has been pursued in a contested bid) can go forward.

If so Trusthouse will be able to call separate meetings of the "A" and "B" shareholders. The outcome of a meeting of "B" shareholders is a foregone conclusion. It is through this capital that the board of the Savoy controls the company. The "A" shareholders, with only a tenth of a vote each share, can, as Trusthouse has identified, change that. If 75 per cent of the "A" shares are cast for Trusthouse it will have gained 51 per cent of the Savoy votes and victory for its £58m bid.

But this assumes first that the court allows Trusthouse to call separate meetings. An idea which the Savoy has termed "fundamentally objectionable" in that all shareholders are not being asked to decide the fate of their company (a point which could be stood on its head)—and, second, that the minute agreement was given by the court another bidder does not step in and attempt to do what Trusthouse is doing, though at a rather greater price.

Given that the Savoy has yet to produce its 1980 figures and because the book value of its assets at only £18m is clearly undervalued, it is difficult to assess the fairness of Trusthouse's terms.

At this point they appear generous and Trusthouse is concentrating attack on the use of income advantage of accepting its offer. The Savoy will have difficulty answering since its present loss-making position means that it will have to pay a 1980 dividend from reserves. It is not difficult, however, to imagine the Savoy carrying out a revaluation of its properties—including the Connaught—and showing that even on a going-concern basis their value is not far different from that of Trusthouse's present terms. Then of course it will argue that there should be a substantial premium for goodwill despite the present parlous trading position of the Savoy.

Nevertheless, Trusthouse is not going to give up easily on this occasion and it has the backing of the Kuwait Investment Office with 35 per cent of the "A" capital. It has already indicated that if the court allows its Scheme bid it may follow through with a general offer. It appears to be in the mood to carry out that threat if necessary.

Thus, Savoy shareholders are undernerved for the moment at £82b. But there is a danger along the way. If Trusthouse fails to break open the Savoy now, then no one can without the approval of the board. This bid (or a counter offer) fails the test, stripped of the "bid content" which has been in the Savoy price for so many years, would fall dramatically.

Corporate bonds

Signs of life

Everyone is willing the corporate bond market back into life. But still no one is prepared to take the plunge into what used to be one of the traditional ways of raising long-term capital for industry until hair-raising interest rates scared off borrowers. That could change soon. Several corporate issuers are eyeing the market closely. To judge by the success of Leeds £50m due last week and the reopening of the building market, there seems to be a ready institutional appetite for diversifying long-term fixed interest portfolios provided the terms are right.

It is just possible to envisage a situation where there is a shortage of long-term instruments if the Government gets on top of its borrowing and stocks other potential borrowers being crowded out. But the problem with the corporate bond market over the last few years of inactivity is rarely been one of a shortage of investors but the reluctance of borrowers to come forward on terms that could compete with what the authorities were offering in the gilt-edged market.

Whatever the arguments of corporate finance purists that after tax relief on interest a case can always be made for borrowing that debt is in fact cheaper than equity, companies have been unwilling to themselves into the balance sheet or

income gearing that long-term borrowing at high interest rates would mean. Rights issues have tended to look more attractive.

Whenever interest rates have started to fall, as they did three years ago, companies have shied away from reopening the corporate bond market because bank borrowing has looked relatively cheaper.

Indeed, the reorientation of the clearing banks away from overdraft to medium-term lending, which is both more flexible and less expensive to arrange, has taken some of the necessity out of the corporate bond market.

One distinct change in recent months has been the growing interest the authorities have been showing in the revival of the market.

The authorities are also thought to have tinkered with the idea of making the corporate bond market more attractive through tax concessions or perhaps even subsidies, although this seems to have fallen down because of the abuses it may lead to.

The new index-linked gilt, which by being restricted to gross funds overcomes any tax problems that may arise if the issue is construed as artificially converting income into capital, opens up a possible avenue for a similar issue in the corporate bond market as indeed was recommended in the Wilson report for industrial debentures so long as the open-ended liability that would involve could be solved. Certainly the Treasury could not turn a deaf ear to such a proposal easily.

Removal of stamp duty on non-convertible issues has reduced the cost of corporate bond issues although there is still a feeling that this is a relatively expensive way of raising money even though the Stock Exchange usually consents to a placing rather than the paraphernalia of an offer for sale. Conventional wisdom in the City remains that gilt yields will have to drop another point or so to encourage corporate borrowers in a big way and companies may well test the water with shorter, say 5-10 year, issues. But the chances of a revival are now higher than at any time over the last five years.

It remains to be seen just how restrictive the conditions attaching to new issues, which have caused plenty of headaches for financially strapped companies, will be this time round and whether borrowers will be able to tuck in prepayment rights to avoid committing themselves so far ahead.

Now that the Monopolies Commission has given qualified permission to S. & W. Berisford to proceed with a fresh bid for British Sugar Corporation, possibly this week, only one other major obstacle lies in Berisford's path: is BSC worth the likely price?

The figure being bandied around is 330p a share, which would value BSC at £200m, although Berisford already holds 10 per cent of BSC. There is no question that Berisford can fund this in cash, shares or some combination of the two. But what is the opportunity cost? Looking at BSC's earnings, could Berisford do better with its money over the next few years?

BSC could well raise profits in the current financial year, which ends in September, from £34m to about £43m. Contingent upon the beet crop, currency movements, and the EEC's annual farm review, which sets agricultural prices, £50m in 1981-82 is possible.

On the current share price of 290p, BSC would yield 10 per cent this year, depending on assumptions about dividends, with earnings per share of around 34p. Asset values are a bit above £4 a share, but since sugar refineries can be used for little else, assets are valuable to Berisford only in so far as they make its balance sheet of around £90m appear more solid. The main attraction of BSC must be its earnings.

Of the £180m possible cost, some £47m will have to be paid to the Government in cash for its 24 per cent stake since it is unlikely the Ministry of Agriculture will want Berisford shares, and in any case the Government is committed to selling the stake. So allowing for part of the settlement being made in shares, Berisford may have to find about £100m in cash at an annual interest cost of around £15m.

But one of BSC's attractions is that it will hardly pay tax for the next couple of years if not longer because of a heavy capital spending programme. The pretax profit is therefore effectively the net, and so the rate at which Berisford would cover the purchase cost is fast. BSC could pay for itself in five years.

Economists divide themselves into two camps—the deeply pessimistic and the despairing—when it comes to forecasts of unemployment over the next ten years or so.

The pessimistic, who include such supporters of the present Government's economic strategy as the London Business School's Centre for Economic Forecasting, see unemployment well above two million for the foreseeable future. The despairing, most of whom have little confidence in government policy, expect unemployment to rise well beyond three million and to stay at those staggering heights indefinitely in the absence of a major reversal of policy.

Even with such a reversal the outlook for unemployment remains grim. Must we then abandon all hope of achieving low unemployment levels throughout the 1980s or beyond?

For more than three decades after the end of the Second World War governments shared the view that society had a prime duty to provide jobs for all its citizens who wished to work. This consensus persisted even when unemployment was deliberately being created as a weapon in the struggle to combat inflation.

But it broke down completely in 1979 with the election of a Conservative Government committed to monetarist economic policies, which denied that governments could influence unemployment levels

over the long term. The defeat of inflation supplanted full employment as the overriding objective of policy.

Monetarists believe that there is a "natural rate" of unemployment in the economy, defined as the rate compatible with a constant inflation rate. What that constant inflation rate is, depends on the growth in the money supply.

The natural unemployment rate at any time is determined by structural features of the economy and, more especially, by the labour market, including the level of unemployment benefit relative to incomes in work, and workers' ability to move to where the jobs are (which in turn depends on conditions in the housing market) and willingness to accept lower pay rates to increase job prospects.

In a paper for the Commons Treasury and Civil Service Select Committee published last Wednesday the Treasury put the present natural rate of unemployment at about 5 per cent of the workforce or equivalent to nearly 11 million unemployed adults. This is much higher than previous estimates in the mid-1970s which put the rate at 500,000 to 700,000 unemployed.

But it may well be an underestimate. Dr Alan Bask of the London Business School, for example, believes that the rate may lie somewhere between 11 and 2 million.

On the monetarist view, the unemployment above the natural rate means that inflation will start to slow down as workers accept lower pay

Frances Williams

A hard road back to full employment

unemployment levels than the expected growth in the labour force over the next few years) and add about half a percentage point to the annual inflation rate.

The surges in unemployment over the past 15 years or so—in 1967, 1971, 1973-74 and 1980-81—have all resulted from inflationary policies pursued by governments which have deliberately chosen to put inflation or balance of payments objectives before the provision of employment.

But to bring unemployment in 1984 down from forecast levels (3.2 million or more) to present figures (2.3 million in March, 1981), let alone to produce a fall below two million, would require the creation of 500,000 jobs a year between now and then, with a fiscal stimulus of some £5,000m to £6,000m each year. An increase in employment on that scale has not been achieved in this country since demobilisation. To bring unemployment down below one million, which many people would still see as high, would at more modest rates of job creation take at least 10 years.

Nor are the omens propitious for substantially increasing industrial employment over the next few years. World trade is expected to grow fairly slowly, depressing prospects for exports. And many people believe that the response of employment to changes in output may become increasingly sluggish as a result of improvements in productivity.

If so, only enormous growth in the service industries, including public employment, could provide the extra jobs necessary to get unemployment down.

Also, surveys by the Confederation of British Industry and other evidence suggest that the present recession may have resulted in some permanent elimination of industrial capacity. So any expansion in demand could run into bottlenecks and shortages more quickly than in previous years. Further stimulus would then simply exacerbate inflation and such in imports rather than give rise to more jobs in domestic industries.

Of course, it is possible to devise combinations of measures which are rather more efficient in creating jobs than income tax cuts (which lead to substantial leakage through extra savings and imports), such as more public spending, or which minimise some of the side-effects, such as income policies. And the creation of 500,000 new jobs a year, enough to start unemployment falling slowly, through sustained fiscal expansion over the next decade could be achieved without causing the economy to overheat unduly.

But it is foolish to pretend that the cost will be negligible. The question is: is the price worth paying to avoid the continuing sacrifice of lives highlighted by unemployment? Surveys of public opinion suggest that the majority of people in this country now believe that it is.

A fresh initiative is being taken to change attitudes, Lucy Hodges reports

Women's continuing struggle for equality

British employers' attitudes have changed little where women are concerned. They may change numbers of them, but mainly in low status, low paid jobs—as secretaries, clerks, cleaners or factory assembly hands.

Despite the passing of two Acts designed to change this, and even though increasing numbers of women go out to work, things are not getting much better. In some ways they are becoming worse.

The gap between women and men's pay has widened and the Equal Pay Act cannot be invoked unless a woman can find a man doing similar work with whom to compare herself. This is impossible for large numbers of women in exclusively female jobs.

The top people in most spheres are still mainly men. In science, engineering and technology women are in only 7.8 per cent of managerial and 6.8 per cent of professional jobs. In contrast, they account for 75 per cent of those doing work of a clerical type.

What can be done about this? Some answers may emerge at a conference on "Positive Action for Women" which opens in London next Monday. Organized by the National Council for Civil Liberties and financed by the German Marshall Fund and the Ford Foundation, it will explore the concept of "positive action"—an idea which is already accepted in the United States where it goes by the name of "affirmative action".

There is much confusion in Britain about what it means, but positive action is a flexible term used to cover a package of steps which employers can take voluntarily to ensure that women are given full opportunities at work—to gain promotion and generally use their talents to the full. It covers everything from policies to enable working mothers to work the hours that suit every cent, to special training schemes for women to get into jobs for which they lack the qualifications.

British employers may well—and probably will—argue that this does not make commercial sense, but the Americans next week will say the opposite. Mrs Joan Showalter, vice-president of the Columbia Broadcasting Service (CBS), who is also its personnel director, maintains that positive action is good business.



Women making aircraft parts at a Chelsea works during the First World War: the war introduced women to a wide range of new roles.

She will tell the conference about events at CBS since 1973, when, without prompting from the Government, but in response to a demand to become what is known in the jargon as an "equal opportunity employer". Seven years ago women accounted for only 18 per cent of the managerial and executive positions at CBS; now they make up 30 per cent.

It has had to be paid for (the company spends \$1.5m [about £650,000] a year on career training for women and minorities), but Mrs Showalter argues that it is worth the cost because the available talent is no longer wasted. "CBS is a stronger company today than seven years ago because of the initiatives taken on behalf of women," she says.

The exercise began when senior executives met an ad-hoc committee of CBS women who wanted change. Specifically, they asked for all job vacancies to be opened up to women, for women to be on every committee which would meet regularly with senior management and for career counselling and special career training seminars. They also wanted monitoring of the jobs done by women at CBS and of the women's progress.

All these demands were met—and more. There is now a Director of Women's Programmes and the predominantly male management has special "sensitising" briefings on how to manage women and blacks. This "discrimination" in

favour of women may sound strange to British ears—even illegal under the Sex Discrimination Act, 1975, but it is certainly not so. What is illegal under the Act is to discriminate in favour of women and against men at the point of selection. Employers must choose the best candidate for the job, but there is nothing to stop them encouraging women to apply for jobs and holding special training sessions for them.

All this is spelt out in a book to be published tomorrow to coincide with the conference. In it, Sadie Roberts, a barrister, explains why such policies are needed, what companies have done in Britain and how things could be improved.

The book favours positive action through collective bargaining between unions and management rather than legislation and legal action, as has been mainly the experience. CBS notwithstanding, in the United States, in Sweden, which did not even have a Sex Discrimination Act until last year, unions and management have achieved a lot together and this would probably fit in better with Britain's flexible and compromising ways than the United States model.

In America some of the biggest battles were fought through the courts. An important victory was won against the Bank of America in the early 1970s by a group of women acting on behalf of all their female bank colleagues

(this is known as a class action and is not possible here). Some of the 64,000 women were given back pay, but more important was the setting up of four trust funds to train women for promotion. The bank agreed to a five-year plan of action, which included setting goals for the number of women to be in different grades by a certain date.

The issue of goals or targets or quotas is tricky and induces fierce argument. Quotas are illegal in this country, as they are now in the United States.

"Positive Action for Women," by Sadie Roberts, £2 from the National Council for Civil Liberties.

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Business Diary profile: British fashion's princely opportunity

One of the many British industries which could be lifted out of a slump by the coming Royal Wedding is fashion. Quite apart from the hype and fluff in "Something for the Season, you know" and a welter of fake-like Lady Di wedding dresses, upturn in floppy hats and a new demand for matching shoes and handbags, the wedding makes London a plausible centre of style.

This week, London Fashion Week, capital plays host to some very important persons, the many international buyers. And not a moment too soon.

While the deficit between imports and exports of all types of clothing in the United Kingdom fell by £22m to £1m between 1979 and 1980, what excites this sector of the pants occupation is the level of our national tidiness.

Too much has been made of the surges and failures of the British fashion scene in the past year and not enough of the reasons. Among names that were in the headlines are two Yuki and John Bates—which links in new, foreign backers have unced back just before our crucial crisis arrive this week.

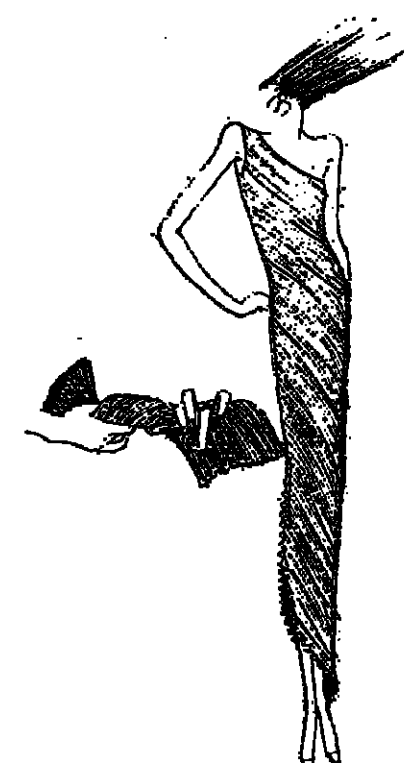
standards and well priced. Bates's own-label couture range gave the added spice and gloss to his glamorous image, the cream which sells the milk.

Unusually, Bates started with the rough and tumble ready-to-wear, establishing a formidable name in a market very well supplied from England—evening wear. Both his natural inclination for individualism and the need for a name to promote volume merchandise against fierce competition led to the establishment of the couture range, which some argue proved too much of a drain on the designer and the solid base of the Varon range.

Yuki suffered sporadic halts in manufacture and from a sense (to many) of charming, very English but eventually disastrous amateurism.

After nearly 10 years of hard work he remains a poor man while others have copied his ideas to their great benefit.

Both ventures collapsed last year, but are now back, both designers ecstatic about how obliging they find manufacturers in India, Hongkong and Japan, in supplying superb fabrics, either natural or synthetic. They are only too pleased to supply printing, pleating, special effects, devotion to detail and interest in the product, which get the designer lionized in Paris or Italy and make our surly defensive home trade as un-chic as last year's way to tie a scarf.



What it takes if British fashion is to be uncrushable: Yuki's uncrushable evening dress in Siliu satin, which will be shown in London tomorrow.

factures in Japan. It will retain all marketing rights to Yuki's name in evening and cocktail wear and formal day wear for Japan, Australia and the United States while the sales for Europe will be handled from London, as will be the new, small couture range and the eight quite separate licensing arrangements already under way for Yuki. These range from ties and handkerchiefs to luggage.

John Bates, with an exceptionally wearable group of pure silks, is signed up with the Esal Group, a multinational organization, privately owned and based in India, nationals based in England, too, retaining independent small couture range made in England.

The future of the fashion and textile industries, which may be indivisible in this country, resides in "commitment"—commitment from the Government to support an industry which sometimes appears to warrant little more than giggles in Whitehall. The Government should intervene with the establishment of an animal similar to the Arts Council—with financial teeth and a long leash, thereby recognizing fashion design as one of the arts, if a minor one.

Further, it should intervene by shifting certain colleges with design education facilities from the hands of the Department of Education into those of the Department of Industry. The Council for National Academic Awards should pause before approving further BA honours courses in fashion or textile design, for what is needed is Indians as well as chiefs. In other words, to be a technician, however brilliant, should no longer

mean being consigned to a limbo of sadness and resentment.

There must be an end to the squabbles and overlapping between promoters of fashion exhibitions. They waste money and erode good will.

Incentives should be provided for the battered textile industry to work with designers in producing short, experimental runs of cloth.

To sell competitively in the modern market we need either to be very price-competitive and technically advanced or to offer unique design in an increasingly flooded market. If talent is wedded to manufacturing capacity, there is no reason why we should not manage to make what the United States calls "Needs and Wants".

"Needs" are obvious—the clothes people have in their cupboards and they are supplied in the United States usually in any size anyone cares to contemplate and in an extremely and sensibly limited range of style and colour. There is depth not range. "Wants" are the irresistible clothes that people covet.

The English equivalent might be called Mass and Musts and we should be gearing up to provide both. Above all, we must seize the opportunity of the Royal Wedding to happen on our undoubted fashion talent. It is an opportunity such as we failed to grasp in the 1950s when suddenly we "swung" got the world over to buy our young, funny fashion and then failed with deliveries. An opportunity like this is unlikely to recur for a long time to come.

NCC to discuss offer terms with UNC

By Our Financial Staff

Mr Graham Ferguson Lacey, chairman and chief executive of NCC Energy, flies to New York today to resume talks with directors of the American UNC Resources group, which three weeks ago he said had approached him with a view to making an offer.

Discussions will centre on terms of any offer, which have been rumoured to be between 150p and 160p a share. NCC shares were suspended by the company on Friday at 142p, valuing the energy group at about £40m.

The halt to dealings was called not on any development with NCC, but because talks had begun with the world's largest pattern maker, Simplicity, to "actively explore and work towards a merger".

NCC plans to buy 5.5 per cent of Simplicity at 51s a share for the equivalent of £3.6m. New York sources are suggesting that NCC has a further option to acquire more shares at the same price, spending the equivalent of £7.7m on a total stake of 10.011 per cent. It is not yet clear how the

announced deal will be financed, but unconfirmed reports indicate that NCC, 40 per cent owned by Mr Ferguson Lacey, has sold some more shares in the Bermuda-based oil exploration company Weeks Petroleum, in which NCC still has a 2.5 per cent stake. At Weeks's closing price before the weekend, the stake was valued at £5.1m. Last November, NCC Energy reduced its 7.5 per cent stake in Weeks by 5 per cent at a price of 480p, raising about £9.6m.

The deal with Simplicity, which has no oil, gas or mining interests, will mean that Mr Ferguson Lacey and Mr H. G. Gites, newly appointed president of NCC Energy, will join Simplicity's board. The chairman and one other director of Simplicity will join the board of NCC.

Simplicity is valued on the New York Stock Exchange at \$135m. Pre-tax profits for the year to last January were \$18.5m. It has assets of around \$146m, no debt and in excess of \$85m cash.

Choice of sterling for gold futures defended

By Michael Prest

Commodities Correspondent

Despite the criticism from some quarters that greeted the decision to denounce the proposed gold futures contract in sterling, the market's formation committee reiterated at the meeting last Friday that the pound was the right currency.

The committee's argument is that sterling will provide the biggest market, it is a leading currency in which many investors do business. Some investors in the existing gold markets, which use dollars, switch their deals into sterling.

The committee also believes that local currency gold contracts have succeeded around the world whereas dollar ones have worked only in America. A sterling contract, moreover, will provide a different market with significant arbitrage opportunities.

While the committee does not feel that a dollar market would flourish in London, it has been influenced as well by the widespread use of the London Metal Exchange's sterling contracts. Indeed, it was at the suggestion of an LME member that the London Gold Market, which had considered opening its own dollar futures market, looked again at the currency question.

Unless the committee's reaffirmation of its decision meets strong opposition the two principal steps to opening the market are settling the contract details and reaching agreement with the International Commodities Clearing House, which is most likely to handle the clearing.

Until the ownership of the ICC is sorted out there can be little progress. But unless there are unexpected delays it is still possible that the market will start trading in June.

Marked upturn expected for Ocean Transport

This week

Ladbroke this week announced its first set of annual profits since the group sold off its casino interests. Other groups reporting full-year figures this week include Ocean Transport & Trading, Reckitt & Colman and Babcock International.

On the economic front, the City will have its first chance since the Budget of assessing the public sector borrowing requirement when the Bank of England releases the fourth quarter figures tomorrow along with the money supply.

Later today, the CBI releases its monthly trends survey for March along with the quarterly releases of bank advances from the Bank of England.

On Wednesday the Department of Energy announces its advance energy statistics for February followed on Thursday by the United Kingdom official reserves for March from the Treasury and capital issues and redemptions during March from the Bank of England.

Finally on Friday, the Department of the Environment releases figures for housing starts and completions for February.

Full-year figures from Ocean Transport & Trading today should make impressive reading with most analysts gazing for between £28m and £35m on

upset the group with its overseas trade accounting for 80 per cent of sales.

In spite of the problems the group is expected to maintain the dividend which last year grew to 7.14p gross.

Babcock International's full-year statement is likely to make depressing reading with estimates ranging from £10m to £15m compared with £32m last time. Nevertheless, with the interim dividend maintained analysts are not expecting any reduction in the final payment of 5.14p gross.

The group had to contend with not only the recession in the United Kingdom engineering industry but also a severe downturn in activity in its United States operations, which last year accounted for more than 50 per cent of profits.

Some recovery is expected overall in 1981 but the balance sheet remains weak and extra cash may be called for at some point.

While full-year profits from Ladbroke on Thursday will show a fall from £49m, to between £35m and £40m, the market is likely to be more than pleased. With its casino interests now well out of the way the group has wasted no time in investing the money

gained from its casino sales into other profitable sectors of the leisure industry.

Ladbroke now ranks as Britain's fifth largest hotelier and the profit contribution this time should be well up on last year's £2m. Betting has had another successful season owing to the stable weather and should also produce another record contribution.

The group's property interests are now valued at more than £100m and are likely to make a final contribution this time around of £5m. Further improved contributions can also be expected from its remaining interests, including social clubs, machine, hire, holidays and retail Hi-Fi.

A total dividend payout of 19.3p gross can be expected, compared with 16.78p last time.

TODAY: Interims: Blue Bird Confectionery, Emess Lighting, Newman-Tonks Group, and Scottish Cities Investment Trust. Finals: Arcliffe Holdings, Charterhouse Group, Energy Trust, Federated Land, Free Trans (London SW9), Low and Bonar, Ocean Transport & Trading, and H. & J. Quick.

TOMORROW: Interims: Amalgamated Estates, Burndene Investments, Charterhall, Lake & Elliot, and Trident Tele-

vision. Finals: American Tri-

Appleyard Group, Booker & Connell, Sund Pulp & Cap, Cape Industries, Dufay Bi-

masitic, F.C. Finance, and Land and Offex.

WEDNESDAY: Interims: N announced. Finals: Babcock International, Guardian Re Exchange Insurance, Hilt Footwear, Legal & General MacFarlane Group & Clans, Molins, Phoenix, Phoenix As-

ance, Reclit & Colman, Spu Sarco Engineering, Sun & Sance & London Insurance, Weir Group.

THURSDAY: Interims: i gess Products, and City of I don Brewery & Investm Trust (third quarter), Flm Arcoelectric, Eridons, Brunt (Musselburgh), Carpets In national, Carron Co (Holdi Grampian Holdings, House Lerosse, Ladbroke Group, a nolia Group (Middlinds), Morrison Supermarkets, R Morris & Queens Moat Hou and Austin Reed Group.

FRIDAY: Interims: Ra Textiles, and W. A. Ty. Finals: Charles Early Martini (Witner), Wm Ja Martini-Lack, North Irish C dian Investments, L. Ryan, s ch Television, Sharon av Tate of Leeds, and E. U and Sons.

Independent steel crisis underlined

By Peter Hill

Industrial Editor

Profit margins for the private sector of the steel industry slumped to a "derisory" per cent and if a spate of bankruptcies among independent companies is to be averted, the steel industry on the so-called "phenix" companies will have to be spee achieved.

Publication of a report* the performance of the independent steel companies over the past four years has underlined the "depth" of the crisis that the steel industry is experiencing and which has become even more severe over the past 10 months. At 2.5 per cent, profit levels are less than the level of four years ago, with the average return on capital amounting to only per cent.

The first of the phoenix ventures companies between BSC and GKN—which brought together the two and a associated interests of two under a new comp: Allied Steel and Wire—only recently established.

Against the background the severe overcapacity in the steel industry, the B and private sector companies the Government is attempting to form a second joint venture company to rationalise engineering steel sector. The company would embrace GKN Brynmawr works, Hadfield, Loughborough, and the copy Round Oak, which jointly owned by the BSC a Tube Investments, and son of the steelmaking plant Duport, which would be merged with engineering steel operations of the BSC.

Formal details of the agreement reached some weeks between BSC and Duport, and which the Duport plant Llanelli will be closed, a other facilities to be held temporarily by the BSC a expected to be published im-

* Steel Producers, ICC Business Ratios, £80.

More share prices

The following will be added to the London and Region Share Price List tomorrow and will be published daily by the London and Region Commercial and Industrial Moben Group

Bank Base Rates

ABN Bank	12%
BCCI	12%
Barclays	12%
Consolidated Crds	14%
C. Moore & Co	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams and Glyn's	12%

* 7 days deposit on sum of £25,000, 10% p.a. (gross) £20,000, 10% p.a. (gross) £15,000, 10% p.a. (gross) £10,000, 10% p.a. (gross) £5,000, 10% p.a. (gross) £2,500, 10% p.a. (gross) £1,250, 10% p.a. (gross) £625, 10% p.a. (gross) £312.50, 10% p.a. (gross) £156.25, 10% p.a. (gross) £78.125, 10% p.a. (gross) £39.0625, 10% p.a. (gross) £19.53125, 10% p.a. (gross) £9.765625, 10% p.a. (gross) £4.8828125, 10% p.a. (gross) £2.44140625, 10% p.a. (gross) £1.220703125, 10% p.a. (gross) £0.6103515625, 10% p.a. (gross) £0.30517578125, 10% p.a. (gross) £0.152587890625, 10% p.a. (gross) £0.0762939453125, 10% p.a. (gross) £0.03814697265625, 10% p.a. (gross) £0.019073486328125, 10% p.a. (gross) £0.0095367431640625, 10% p.a. (gross) £0.00476837158203125, 10% p.a. (gross) £0.002384185791015625, 10% p.a. (gross) £0.0011920928955078125, 10% p.a. (gross) £0.00059604644775390625, 10% p.a. (gross) £0.000298023223876953125, 10% p.a. (gross) £0.0001490116119384765625, 10% p.a. 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§ Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

Ex dividend, a Ex all, b Forecast dividend, c Corrected price, e Interim payment passed, f Price at suspension of dividend and yield exclude a special payment, g Bid for company, h Pre-merger figures, u Forecast earnings, v Ex capital distribution, r Ex rights, k Ex scrip or share split, a Ex free, y Price adjusted for late dealings. . . No significant data.

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01-637 4676.

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